

2839. Also, petition of citizens of Crane County, Tex., urging immediate payment of the soldiers' bonus; to the Committee on Ways and Means.

2840. By the SPEAKER: Petition of Jose M. Garcia, secretary Provincial Board, Lingayen, P.I., urging the passage of the King bill; to the Committee on Insular Affairs.

2841. Also, petition of the members of the Switchmen's Union of North America, protesting against any plan of railroad managers or others to merge railroads where such merger would result in the closing of terminals, yards, or plants which would result in the lay-off of man power; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, MARCH 8, 1934

(Legislative day of Wednesday, Feb. 28, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days Tuesday, March 6, and Wednesday, March 7, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Loneragan	Stelwer
Barkley	Erickson	Long	Stephens
Black	Fess	McAdoo	Thomas, Okla.
Bone	Fletcher	McCarran	Thomas, Utah
Borah	Frazier	McKellar	Thompson
Brown	George	McNary	Townsend
Bulkley	Gibson	Metcalf	Trammell
Bulow	Glass	Murphy	Tydings
Byrd	Goldsbrough	Neely	Vandenberg
Byrnes	Gore	Norris	Van Nuys
Capper	Hale	Nye	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Coolidge	Hayden	Pope	
Copeland	Hebert	Reed	
Costigan	Johnson	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from South Carolina [Mr. SMITH] is unavoidably detained from the Senate, and that the Senator from Kansas [Mr. McGILL] is detained by a severe cold.

Mr. HEBERT. I desire to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent from the Senate.

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present.

SUPPLEMENTAL ESTIMATES FOR DEPARTMENT OF JUSTICE (S.DOC. NO. 151)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Justice, fiscal year 1935, amounting to \$193,900, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

FIELD SERVICE POSITIONS IN FARM CREDIT ADMINISTRATION (S.DOC. NO. 150)

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Farm Credit Administration, transmitting, in response to Senate Resolution 135 of the present session, a statement showing the number of all persons employed in the field service of that Administration in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of \$2,000 in each State, compiled as of January 31,

1934, which, with the accompanying statement, was ordered to lie on the table and to be printed.

COMPENSATION OF OFFICERS AND DIRECTORS OF CORPORATIONS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, which, with the accompanying papers, was referred to the Committee on Banking and Currency, and the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, March 6, 1934.

The PRESIDENT OF THE SENATE,
United States Senate, Washington, D.C.

DEAR SIR: In connection with the Commission's recent report to the Senate dealing with salaries and other compensation paid by certain corporations with securities listed on the New York Stock Exchange or the New York Curb Exchange, the Commission has received letters from the American Austin Car Co., Inc., and from Messrs. S. H. Vallance and Frank Bulkley, of which copies are hereto attached. There is also attached a copy of the Commission's replies to these letters.

In view of the representation made in these letters to the effect that the Commission's report to the Senate regarding "other compensation" paid by the American Austin Car Co., Inc., was erroneous, the Commission has directed that copies of the correspondence be forwarded to the Senate.

By direction of the Commission.

GARLAND S. FERGUSON, Jr., Chairman.

The VICE PRESIDENT also laid before the Senate a letter from the Chairman of the Federal Trade Commission, which, with the accompanying statement, was referred to the Committee on Banking and Currency and the letter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, March 7, 1934.

The PRESIDENT OF THE SENATE,
United States Senate, Washington, D.C.

DEAR SIR: In the Commission's recent report to the Senate dealing with salaries and other compensation paid by certain corporations with securities listed on the New York Stock Exchange or the New York Curb Exchange, the statement was made that the "General Refractories Co. sent in a schedule originally, but later wrote to the Commission to have this report returned to the company for revision. General Refractories Co. did not return the report in revised form, nor did it answer a further request for the report."

Upon the publication of this report the General Refractories Co. advised the Commission that it had sent in its report on January 15. In view of this the Commission advised the company that although its report had not been received, that if it would furnish a copy of its report immediately, the Commission would forward the information to the Senate with an appropriate explanation. There is enclosed herewith, therefore, the information as to the salaries paid by the General Refractories Co. to its executive officers and directors.

By direction of the Commission.

GARLAND S. FERGUSON, Jr., Chairman.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Senate of the State of New Jersey favoring the passage of legislation abolishing the Federal gasoline sales tax, which were referred to the Committee on Finance.

(See resolutions printed in full when presented today by Mr. BARBOUR.)

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Virginia, which was referred to the Committee on the Library:

Whereas it is the desire of the General Assembly of Virginia that the historic grounds and points of interest at Old Appomattox Courthouse be suitably marked, restored, and preserved; and

Whereas such can best be accomplished by establishing this area as a national park: Now, therefore, be it

Resolved by the senate (the house of delegates concurring), That the Congress of the United States be, and it is hereby, memorialized to establish a national park at the said historic spot embracing within its boundaries the points of interest and restoring thereon all buildings connected with the events which took place at and in the said area; and be it further

Resolved, That the clerk of the senate transmit a copy of this resolution to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Senator and Representative therein from the Commonwealth of Virginia.

Agreed to by the senate March 6, 1934.

O. V. HANGER,
Clerk of the Senate.

Agreed to by the house of delegates March 6, 1934.

JNO. W. WILLIAMS,
Clerk of the House of Delegates.

The VICE PRESIDENT also laid before the Senate a resolution adopted by members of the American League of Medical Freedom, assembled in mass meeting at Seattle, Wash., protesting against the passage of the so-called "Copeland-Tugwell pure food and drug bill", particularly on the alleged ground that "It will place in the hands of the Assistant Secretary of Agriculture despotic powers in matters of health and gives the person or persons ruled against by the said Secretary no recourse to the courts of the land", which was referred to the Committee on Commerce.

He also laid before the Senate a telegram from A. Tapani, secretary of Italian Local, No. 202, Amalgamated Clothing Workers of America, of Rochester, N.Y., endorsing the so-called "Wagner labor dispute bill" and the proposed child-labor constitutional amendment, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by Lazarus Davis Lodge, No. 548, Independent Order of B'rith Abraham, of Dorchester, Mass., favoring the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS), opposing alleged discriminations against Jews in Germany, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of sundry citizens of Chicago and vicinity, in the State of Illinois, favoring the passage of House bill 7483, providing a minimum wage for substitutes in the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate the petition of Felix F. von Wilmsky, of New York City, N.Y., praying for legislative relief from certain alleged oppressive practices which under color of law are resorted to in the Patent Office, which, with the accompanying papers, was referred to the Committee on Patents.

He also laid before the Senate a resolution adopted by the municipal board of the city of Manila, P.I., favoring the passage of the so-called "King bill", granting full independence to the Philippine Islands, which was referred to the Committee on Territories and Insular Affairs.

Mr. GIBSON presented a petition of sundry citizens of Chester and Ludlow, in the State of Vermont, praying for the passage of House bill 7019, providing old-age compensation, which was referred to the Committee on Education and Labor.

Mr. ROBINSON of Arkansas presented a letter from Herman Dierks, Kansas City, Mo., relative to a provision in House bill 7835, the revenue bill, affecting the lumber industry, which was referred to the Committee on Finance.

Mr. TYDINGS presented resolutions adopted by LaFayette Lodge, No. 86, Independent Order of B'rith Abraham, of New York City, N.Y., favoring the passage of Senate Resolution 154 (submitted by Mr. TYDINGS), opposing alleged discriminations against Jews in Germany, which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Providence, R.I., and New York City, N.Y., praying for the passage of Senate Resolution 154 (submitted by Mr. TYDINGS), opposing alleged discriminations against Jews in Germany, which were referred to the Committee on Foreign Relations.

TAX ON GASOLINE

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and appropriately referred resolutions adopted by the Senate of the State of New Jersey on the subject of the gasoline tax.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

GASOLINE-TAX RESOLUTION

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline; and

Whereas the State of New Jersey and all other States of the United States have already imposed taxes upon such sales; and

Whereas the Federal tax on such sales is untimely and prohibitive and, coupled with the respective State taxes on such sales, places a burden upon the users of gasoline beyond that

which they should carry and beyond that which the traffic can legitimately bear; and

Whereas the taxation of sales of gasoline should properly be left to the exclusive use of the States as a means of providing funds for road construction and maintenance: Now, therefore, be it

Resolved, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Clerk of the House of Representatives, the Secretary of the United States Senate, and to each Member of Congress elected from the State of New Jersey, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

FIDELITY INSURANCE FOR BANK EMPLOYEES

Mr. FRAZIER presented a telegram from W. C. MacFadden, secretary of the North Dakota Bankers' Association, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

FARGO, N.DAK., March 6, 1934.

HON. LYNN J. FRAZIER,

United States Senate, Washington, D.C.:

Putting banks of the country in hands of merciless fidelity insurance monopoly by passage of Senate bill 2849, would be terrific blow in increased expenses. Cost has been increased from four to twenty dollars per thousand with no such increase in dishonest bank employees. Defeat of bill should be overwhelming.

W. C. MACFADDEN,
Twenty-nine Years Secretary North
Dakota Bankers' Association.

REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 610) for the relief of Thomas Salleng, reported it with amendments and submitted a report (No. 421) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 841. An act for the relief of Charles C. Floyd (Rept. No. 422); and

S. 2661. An act for the relief of Clayton M. Thomas (Rept. No. 423).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1857) for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes, reported it with amendments and submitted a report (No. 424) thereon.

He also, from the same committee, to which was referred the bill (H.R. 3780) for the relief of William Herod, reported it without amendment and submitted a report (No. 425) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 2142) for the relief of Mrs. Charles L. Reed, reported it with amendments and submitted a report (No. 426) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2342. An act for the relief of I. T. McRee (Rept. No. 427); and

S. 2627. An act for the relief of Arvin C. Sands (Rept. No. 428).

Mr. COOLIDGE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1993. An act for the relief of the Lower Salem Commercial Bank, Lower Salem, Ohio (Rept. No. 429);

S. 2141. An act for the relief of Roy Lee Groseclose (Rept. No. 430);

S. 2373. An act for the relief of Isidor Greenspan (Rept. No. 431);

S. 2636. An act for the relief of James Slevin (Rept. No. 432);

S. 2798. An act for the relief of Nephew K. Clark (Rept. No. 433); and

S. 2807. An act for the relief of the Germania Catering Co., Inc. (Rept. No. 434).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 2558. An act for the relief of William J. Cocke (Rept. No. 436); and

S. 2879. An act for the relief of the Sanford & Brooks Co. (Rept. No. 437).

Mr. LOGAN also, from the Committee on Claims, to which was referred the bill (S. 411) for the relief of the International Manufacturers' Sales Co. of America, Inc., reported it with amendments and submitted a report (No. 438) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H.R. 7966) to authorize the Postmaster General to accept and use equipment, landing fields, men, and material of the War Department for carrying the mails by air, and for other purposes, reported it with an amendment.

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 2398) for the relief of Nancy Abbey Williams, reported it without amendment and submitted a report (No. 435) thereon.

Mr. NEELY, from the Committee on Interstate Commerce, to which was referred the bill (S. 2411) to amend the Emergency Railroad Transportation Act, 1933, reported it with an amendment and submitted a report (No. 439) thereon.

Mr. LONERGAN, from the Committee on Interstate Commerce, to which was referred the bill (S. 2897) to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales, reported it with an amendment and submitted a report (No. 440) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 7th instant that committee presented to the President of the United States the following enrolled bills:

S. 407. An act for the relief of Willie B. Cleverly;

S. 2277. An act to establish fish and game sanctuaries in the national forests;

S. 2461. An act to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict"; and

S. 2529. An act to promote the conservation of wild life, fish, and game, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GIBSON:

A bill (S. 2983) for the relief of the United Marble Cos., Inc., Rutland, Vt.; to the Committee on Claims.

By Mr. LA FOLLETTE:

A bill (S. 2984) for the relief of Wayne Bert Watkins; to the Committee on Claims.

By Mr. DAVIS:

A bill (S. 2985) to permit radium to be accepted in payment of war debts due from Belgium, and to provide for the distribution of such radium; to the Committee on Finance.

By Mr. GEORGE:

A bill (S. 2986) granting an increase of pension to John P. Phillips; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 2987) to restore homestead rights in certain cases; and

A bill (S. 2988) to amend section 3 of the act of July 13, 1926 (44 Stat. 915), entitled "An act for the relief of certain counties in the States of Oregon and Washington, within whose boundaries the revested Oregon & California Railroad Co. grant lands are located"; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 2989) to confer jurisdiction on the Court of Claims to hear and determine the claims arising from the use by the Postal Service of the United States of a combined postmarking and stamp-canceling device, generally known

and referred to as the "Norton device or stamp", and more particularly described in United States letters patent issued to Marcus P. Norton, nos. 25036, 37175, and 38175; and to award compensation therefor; to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 2990) for the relief of Mrs. Tonnie Smith Young; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2991) to encourage civil aviation in the United States; to the Committee on Commerce.

By Mr. DILL (by request):

A bill (S. 2992) to amend paragraph (c) of section 5155 of the Revised Statutes, as amended, relative to the establishment of branches of national banks; to the Committee on Banking and Currency.

By Mr. WHEELER:

A bill (S. 2993) to promote the safety of employees and travelers upon railroads by compelling common carriers by railroad engaged in interstate and foreign commerce to man locomotives, trains, and other self-propelled engines or machines with competent employees, to provide the least number of men that may be employed on locomotives, trains, and other self-propelled engines or machines, to provide qualifications for certain employees, and providing a penalty for the violation thereof; to the Committee on Interstate Commerce.

By Mr. BACHMAN:

A bill (S. 2996) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1934 Reunion at Chattanooga, Tenn.; to the Committee on Naval Affairs.

By Mr. CAREY:

A bill (S. 2997) authorizing loans by Federal land banks to incorporated associations and corporations in certain cases, and for other purposes; to the Committee on Banking and Currency.

By Mr. CUTTING:

A bill (S. 2998) for the economic development of the Mescalero Indians of New Mexico; to the Committee on Indian Affairs.

THE N.R.A. AND THE ANTITRUST LAWS

Mr. BORAH. Mr. President, I received a telegram this morning from Grand Island, Nebr., a portion of which I desire to read. I have received a number of telegrams and letters of the same nature. The telegram states:

I am compelled to close March 17 what 6 months ago was a profitable service station gasoline business in Grand Island, Nebr. Evidently the big oil syndicates are in control. They have raised crude oil from 10 cents a barrel to a dollar. Gasoline at the refinery is three times what it was a year ago, thus giving the big syndicates plenty of money with which to fight the independent oil retailer. They are disregarding the code in Nebraska except the parts that help them. The officers of the big oil trusts have been appointed on the coordinating board. Locally the State manager of the Standard Oil is vice chairman of the State oil code committee. The representative of one of the big syndicates remarked that the oil retailers' fight in Nebraska was a fight to a finish, evidently expressing their intention to wipe out the independent oil dealer, which their present method will do. How long will the administration permit big oil trusts to totally disregard the code, disregard the State law, and disregard the right of a small man to exist? The new deal is putting me out of business. The Interior Department has dispatched two men within the last 60 days to Nebraska to investigate these conditions, both of whom have frankly admitted it was deplorable to see major companies literally wipe out independents.

I desire to say, in passing, that the Secretary of the Interior has endeavored to remedy these situations, but I am of the opinion that so long as the law remains as it is it will be impossible for the Secretary to accomplish what he seems to desire, and what I have no doubt he does desire, to protect small business and also protect the consumer. The telegram continues that these men from the Department stated that—

They did not know what they could do about it. Thus, with Federal power they have raised crude and raised gasoline and used the profits to run me out of business. I am sending this telegram hoping that something may be done. * * *

Mr. President, one of the most important items in the oil industry which looks toward monopoly and enables the major companies to control the situation and to effectuate com-

plete monopoly is the fact that the pipe lines transmitting the oil are owned by the major companies, or some of them.

I ask leave to introduce two bills, which I trust will have the consideration of the Committee on Interstate Commerce, to which I ask that they be referred.

The VICE PRESIDENT. Without objection, the bills will be received and referred as requested.

The bill (S. 2994) to amend section 18 of chapter 1 of title 15 (Commerce and Trade) of the United States Code; and

The bill (S. 2995) to amend paragraph (8) of section 1 of the Interstate Commerce Act, as amended, were each read twice by their titles and referred to the Committee on Interstate Commerce.

Mr. LEWIS. Mr. President, may I inform the able Senator from Idaho that the Secretary of the Interior has lately offered a modification of the code because of the very complaint the Senator from Idaho makes, and has sent out an examining commission with a view of making a return to him of the facts on which he may justify a change in the code to meet the exact situation pointed out by the Senator from Idaho.

Mr. BORAH. I have no doubt of the intention of the Secretary of the Interior to bring about a change. I am very thoroughly convinced, however, that so long as the antitrust laws are suspended and so long as the pipe lines are owned by the major companies it will be impossible to accomplish what he desires.

AMENDMENT TO REVENUE BILL—MATCHES

Mr. WALSH. Mr. President, I ask leave to submit an amendment to House bill 7835, the revenue bill, which I request to have printed, printed in the RECORD, and referred to the Finance Committee, together with the accompanying letters and a statement.

There being no objection, the amendment was referred to the Committee on Finance, ordered to be printed, and, with the accompanying papers, to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. WALSH to the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

At the proper place in the bill to insert the following:

"SEC. —. (a) Section 612 of the Revenue Act of 1932, as amended (relating to tax on matches), is amended by adding before the period at the end thereof a comma and the following: 'And except that in the case of fancy matches and matches having a stained, dyed, or colored stick or stem, packed in boxes or in bulk, the tax shall be 5 cents per 1,000 matches.'

"(b) Section 612 of such act, as amended, is further amended by adding at the end thereof the following new paragraph:

"There is hereby imposed upon cigarette and cigar lighters, and upon other devices used as substitutes for matches that can be used more than once, a tax equivalent to 25 percent of the price for which such lighters or devices are sold by the manufacturer, producer, or importer thereof."

CLEVELAND, OHIO, February 15, 1934.

HON. DAVID I. WALSH,
Washington, D.C.

MY DEAR SENATOR: Regarding revenue bill H.R. 7835, now being considered by the House of Representatives, wish to advise the match industry of the United States would like very much to amend Revenue Act of 1932, section 612, Tax on Matches, by the addition of the following two paragraphs:

"There is hereby imposed upon fancy matches and on matches having a stained, dyed, or colored stick or stem, packed in boxes or in bulk, sold by the manufacturer, producer, or importer, a tax of 5 cents per thousand matches.

"There is hereby imposed upon lighters or on so-called 'matches' that can be used more than once, a tax equivalent to 25 percent of the price for which so sold."

We respectfully call your attention to the fact American match manufacturers are now paying 2 cents per thousand matches excise tax, which actually figures 25 percent of their net return from sales. As a very large volume of strike-on-box matches are being imported into this country (at the present time principally from Japan) paying a duty of 6 cents per gross, whereas the duty imposed by the Seventy-first Congress reads:

"PAR. 1516. Matches, friction or lucifer, of all descriptions, per gross of 144 boxes, containing not more than 100 matches per box, 20 cents per gross, etc., etc."

Later in the same paragraph it reads:

"Wax matches, wind matches, and all matches in books or folders or having a stained, dyed, or colored stick or stem" are dutiable at "40 percent ad valorem"—was undoubtedly intended by Congress to be a higher rate than 20 cents per gross, yet matches with "colored" stems otherwise

identical to all other safety matches, are appraised on a basis of 15 cents per gross and 40 percent of this value is only 6 cents per gross instead of 20 cents per gross.

Through the evasion of the 20-cent duty by coloring the stems the customs revenue lost approximately one half million dollars in 1933, and the American match industry did not get the protection intended by Congress.

As the American match manufacturers pay 25 percent of their net return from sales in excise, we feel on lighters "25 percent of the price for which so sold" is but fair and equitable.

We estimate the adding of these two paragraphs to revenue bill H.R. 7835 under title 4 of Excise Taxes will yield revenue of at least \$1,000,000 per year.

We respectfully urge your giving this matter careful consideration, as we consider it will stop a "leak" in the existing statutes, give the match industry the benefits intended by Congress, and provide appreciable revenue.

Very truly yours,

COLUMBIA MATCH CO.,
J. H. WEAVER, President.

SPRINGFIELD, MASS., March 3, 1934.

HON. DAVID I. WALSH,
United States Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR WALSH: We are very glad to learn that you are interested in an amendment to the tax bill now before the Senate Finance Committee that will increase the tax on fancy matches and matches having a stained, dyed, or colored stick or stem from 2 cents per thousand to 5 cents per thousand, and that will impose a tax on cigar and cigarette lighters and other similar substitutes for matches, and so make it possible for the wood match with a plain stick, which is already taxed, to compete fairly with the colored stick match and the automatic lighters.

This support that you are giving is very much appreciated by this company and by all of its employees in the State of Massachusetts. It has seemed unfair to us that our matches should be taxed and articles that are used as substitutes which decrease employment in this factory should remain untaxed.

We earnestly request that you do everything possible, therefore, to have this amendment adopted.

Assuring you of our continued support,
Sincerely yours,

THE DIAMOND MATCH CO.,
T. J. REYNOLDS, Vice President.

THE MATCH INSTITUTE,
New York City, February 24, 1934.

To Members:

EXCISE TAX STATISTICS

The report just released by the Treasury Department shows that \$264,959.26 was collected in excise taxes during January 1934 on match sales in December 1933, as compared with \$313,411.01 collected on November sales and \$247,130.52 collected on December 1932 sales.

Following are the collections since January 1:

Tax collections, 1933

On December sales.....	\$264,959.26
On November sales.....	313,411.01
On October sales.....	362,170.60
On September sales.....	1,406,125.73
On August sales.....	374,919.91
On July sales.....	906,591.30
On June sales.....	1,262,149.36
On May sales.....	555,724.15
On April sales.....	427,990.88
On March sales.....	310,799.74
On February sales.....	257,604.08
On January sales.....	400,285.85

Since the beginning of the year the total taxes collected on matches amount to \$6,842,731.87, or an average of \$570,227.66 per month.

E. O. MERCHANT.

BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS—EXPENSES OF SPECIAL COMMITTEE

Mr. ASHURST, Mr. McADOO, Mr. VAN NUYS, Mr. HEBERT, and Mr. AUSTIN submitted the following resolution (S.Res. 203), which was referred to the Committee on the Judiciary:

Resolved, That the special committee authorized and directed by Senate Resolution 78 on June 13, 1933, to investigate the administration of receivership and bankruptcy proceedings in the courts of the United States, is hereby authorized to expend in furtherance of such purposes the sum of \$20,000 in addition to the amount heretofore authorized and expended.

PROCEEDINGS OF THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. HAYDEN. Mr. President, I present and ask to have referred to the Committee on Printing, with a view to having the matter printed as a public document, the proceedings of the twenty-seventh meeting of the convention of American Instructors of the Deaf.

The VICE PRESIDENT. Without objection, the matter will be so referred.

THE ADMINISTRATION'S SUGAR BILL—ADDRESS BY SENATOR COSTIGAN

Mr. NORRIS. Mr. President, on the 6th day of March the Senator from Colorado [Mr. COSTIGAN] delivered a speech over the radio on the administration's sugar bill. I ask unanimous consent that that speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

There is recent evidence that sugar is not so much a food as an explosive. Its innocent whiteness is deceptive. As with gold, into which it is ordinarily convertible, men who pursue its lure often lose their sense of proportion. Lavishly appealing to gamblers, sugar has made fortunes for the few and ignored the well-being of the many. Some of its beneficiaries draw large salaries or reap the rich harvests of speculation but bitterly resist its possibilities of distributed prosperity. They seem to hold that their advantages can only be preserved by slander and the use of an occasional newspaper to throw the dust of falsehood into the eyes of the unsuspecting. Such faithlessness to the public is deplorable but not fatal. It recoils on the accusers. The issues are so vital that in the long run no libel, however large, no newspaper, however morally small, can escape discovery, for truth is mighty and will prevail.

ADMINISTRATION'S SUGAR BILL

On Lincoln's Birthday there was introduced in Congress a much misrepresented bill which is part of President Roosevelt's farm-improvement program. It directly aims at the betterment of farm conditions and earnings for American sugar growers. The bill (S. 2732) has three special aims. First, it seeks to add sugar beets and sugar cane to the other basic commodities, such as wheat, cotton, and corn, and, so doing, looks to the combination of a more moderate tariff—measured by differences in production costs here and abroad, approved by the Tariff Commission—with benefit payments or bounties to sugar growers. This means on the side of farm earnings, if the bill passes, that sugar farmers will receive the pre-war fair exchange value of sugar beets. If the bill were now a law, last year's beets and cane would be giving growers an average of more than \$1 per ton above the growers' final price received for the average of all beets and cane under factory contracts. Second, the bill provides that bounty payments are to be raised, without any increase in sugar cost to consumers, out of the proceeds of a processing tax on refined sugar exactly matching in amount the tariff reduction. Third, the bill provides a stabilization limitation on tonnage production in the different sugar areas of the continental United States, our island possessions, and shipments to the United States from Cuba.

QUOTA RESTRICTIONS AND THE 1933 STABILIZATION PLAN

The program for stabilizing continental and world sugar prices by quota restrictions and agreements is one which has grown in favor among sugar producers—both growers and factories—in recent years. A world-wide restrictive effort is known as the "Chadbourne plan". Experts believe that plan has failed until now to stabilize world prices, chiefly because the United States and its island possessions have not been included. Only last fall my hearers will remember that our domestic sugar interests, including beet and cane growers, were willing, by a voluntary stabilization agreement under the Roosevelt Farm Act, to limit production both here and abroad, and strenuously urged the Secretary of Agriculture to give their plan official approval. This, he then refused to do for reasons publicly stated, among which was his conviction that the agreement did not sufficiently protect sugar growers. Under that plan, our domestic growers were willing, with allowances for normal increases in consumption, to abide by a limitation of 1,100,000 short tons of Philippine imports; 1,700,000 for Cuban imports, and to impose a limitation on themselves of 1,750,000 short tons. The main and proper purpose, of course, was to improve and stabilize sugar prices by preventing excessive production which depresses those prices in the market. It is nevertheless an admission of the wisdom of setting limits even to domestic production.

One recent farm witness before the Senate Finance Committee declared he would submit, but would not accept, a domestic quota imposed by law. When pressed, he emphatically said that he was standing by a principle, but would rather have the administration's bill than no bill at all. In fairness, it should be noted that people will, of course, differ over what constitute proper quotas, and friends of sugar growers in Washington are unitedly urging the largest just quotas for domestic producers which public action can secure. It must, however, be remembered that most legislation in the end is the result of a fusion of different views and demands of legislators, and I submit as sound that any temporary experiment with quotas, which is to be tried under the present bill, involves no fundamental issue of principle.

OBJECTIONS TO DOMESTIC QUOTA

The chief objection of some spokesmen for domestic sugar-beet growers springs from the fact that the 1933-34 crop of sugar beets resulted—in part through abnormal business and unemployment conditions—in the production of 1,756,000 short tons of beet sugar and the domestic beet quota specified in the administration's bill

is 1,450,000 short tons. Domestic interests urge that our domestic quota is less than this year's production and Cuba's is more, whether or not for international reasons stressed by the State Department. Some domestic producers oppose any domestic limitation short of this year's production, even though that may result in excessive sugar supplies. It should, of course, be said that the domestic figure the administration inserted in the bill, while less than this year's unusual output, is higher than any figure for domestic beet-sugar consumption in the previous history of our industry. The highest preceding domestic consumption was from beets produced in 1932 and marketed in 1933, namely, 1,372,703 short tons. All other preceding years showed lower domestic consumption. The question remains, and is being earnestly debated in Washington at this hour—what is the largest limitation on domestic production which may be guaranteed in the law, without upsetting the total program of stabilization of prices and farmers' earnings? It is not only a proper subject for debate but calls for expert advice, having in view both American and world sugar production and their combined effect on sugar prices in relation to the world market. It is still hoped by domestic representatives that a larger domestic quota will finally be written into the bill. Undoubtedly, too, there will be provisions for a suitable domestic share of any expected or unexpected increase in domestic consumption.

Farmers who believe in growing sugar beets without restriction will, no doubt, continue to object to any curtailment whatever of production. There are also persons interested in lands suited to sugar production acquired for speculative purposes who will similarly protest. However, farmers, who have thoroughly considered the disastrous results on prices of unlimited sugar supplies under world conditions, will not fail to grasp that their interests will be best served by orderly and centralized joint action and control of sugar production and marketing. In this connection, it should be mentioned that, if the present bill becomes law, its passage will doubtless be promptly followed by a helpful marketing agreement.

MODERATE TARIFFS AND BOUNTIES

The combination of a more moderate sugar tariff with bounty payments is a far sounder treatment of the sugar problem than the persistent policy of ever higher tariffs, which has led our domestic industry to the verge of ruin. Warnings have been sounded for years against the fatal flaws in our old sugar-tariff policy. As recently as 1930 ex-Senator Thomas, of Colorado, at that time said to be an attorney for the Great Western Sugar Co., declared that the Smoot-Hawley tariff bill, to quote his words, "dooms the sugar-beet industry to certain extinction." There is a familiar ring about that prophecy, which was then properly laid at the Republican door and today is mistakenly laid at the Democratic. Senator Thomas' statement was not far-fetched. Under Republican tariff policies we have long paid a huge tariff bounty—\$40 per ton—to sugar producers in our island possessions. This has greatly increased Puerto Rican, Hawaiian, and particularly Philippine production at the expense of world prices and to the disadvantage of domestic sugar growers. Sugar from these islands enters the United States duty free. In contrast, Cuba, a foreign country, pays on sugar coming here the tariff of \$40 per ton. Our present domestic sugar production, therefore, is much less threatened by Cuba than by the Philippines' output, which for years has been increasing by leaps and bounds. In 1933, for example, the United States consumed almost three times as much Philippine sugar—1,247,000 tons to be exact, and this year it will be more—and only half as much Cuban sugar as we consumed from these islands 9 years ago, in 1925. Indeed, it is this tariff-stimulated switch from Cuba to the Philippines which has thrown Cuba—which since our War with Spain has been under our guardianship—into the agonies of starvation and revolution and brought us in recent months to the brink of another costly military intervention.

A WISER SUGAR POLICY

Because of these effects of our tariff policies on sugar producers, some of us have long urged a new tariff policy, reducing through a lower tariff, the stimulus to excessive Philippine and other island production, and safeguarding domestic growers through a bounty. This substitute and wiser method receives administration and other expert approval in the pending bill. However novel the proposal in some parts of the country, it is not new to experts or to the splendid Colorado sugar-producing areas I know best. In 1930 the advantage of combining moderate sugar tariffs and bounties was definitely submitted for many weeks to discussion and debate before sugar growers and other farmers of that famous sugar region. The election result was a mandate in which beet growers joined other citizens in favor of these key features of President Roosevelt's bill. I am, therefore, merely repeating when I say—backed by long official experience on the Tariff Commission—that the pending bill is the most constructive tariff effort to save and promote our domestic sugar industry in the history of this country. It is the Rooseveltian new deal experimentally applied to sugar. This new approach to an old problem is so well worth trying that growers can afford for the time being to be less worried about some details. It represents an immense advance over out-worn methods. Secretary of Agriculture Wallace was amazed that sugar producers have not enthusiastically seized this opportunity to lift sugar out of politics, provide reasonable and stable production and prices, and assure sugar growers under any and all circumstances at least living earnings from beets by receiving under the law their fair exchange value. Having his attention drawn to a loose, and in part foolish, hypothetical discus-

sion by a previous witness, Secretary Wallace, whose intelligence and uprightness are beyond question, declared in substance that he will administer the law so as to safeguard the industry. He insisted, as anyone who understands it knows, that the bill looks to the relief of beet growers and he denies that it contemplates in any respect the elimination or retirement of the sugar industry.

TARIFF REDUCTION THROUGH THE TARIFF COMMISSION

Sugar farmers naturally want to know the effect of the administration bill on farm crops and earnings from sugar. However, one important fact must first be mentioned. A tariff commission—which is still Republican, because its membership has not yet been changed—working under the provisions of the tariff law of 1930, passed by a Republican Congress and approved by President Hoover, has very recently unanimously recommended to President Roosevelt a half cent per pound reduction in the tariff on sugar. When we talk of restricting sugar production, therefore, it should be remembered that if President Roosevelt acts on the Tariff Commission's recommendation, without doing anything else, the result may be a disorganized market, with reduced prices for sugar and sugar growers, which in the end will impose some practical restrictions on production. Tariff experts calculate that such reduced prices, unless something is done to offset them, may for a time diminish returns to beet farmers 75 cents or more per ton of beets. Fortunately the needed offsetting factor is found in President Roosevelt's bill. The President has shown his friendliness to domestic growers by making clear that, before he acts under the law and proclaims the Tariff Commission's recommended reduction, he is willing, through the present bill, to save farmers from such reduced prices by imposing under the present bill a processing tax equal to the reduction approved by the Tariff Commission. That would leave the domestic price level unchanged, and out of the processing taxes the growers would be paid their bounties, as was done in the case of wheat growers.

SUGAR GROWERS' BENEFITS

If this bill had been law during the last few months, our farmers, who expect to receive an average of about \$5.30 per ton for last year's beets, would instead be now assured of receiving on this cash crop an average of something like \$6.45 per ton. Every farmer can do his own calculating with this figure as his starting point. Under the bill payments will be made on the basis of the fair exchange value of beets and cane, thus making a figure changing with changing living costs, but always assuring purchasing power for articles farmers buy equal to the purchasing power of beets and cane in the 5-year period from August 1909 to July 1914.

Bearing in mind that increasing tariffs on sugar during the last 10 years have brought decreasing, not increasing, returns to beet growers, the significance of the offer of pre-war fair exchange value to sugar farmers is plain. Farmers in times past have assumed that if they obtained higher prices in dollars per ton by bargains with factories at the planting season, their problems would be solved. They have, therefore, accepted contracts with factories making some or all of the returns from beets dependent on the price of sugar, then waited for that price to rise. However, even when the price of sugar goes up, the price of other commodities also usually rises to the general price level. The net result at the end of a crop year with rising prices is often no better and sometimes worse than when prices remain unchanged. For example, in 1927, when farmers received as much as \$7.67 per ton for beets, the highest figure in the 1925-33 period, the average prices of articles farmers buy had advanced 50 percent above the pre-war level, so that beet farmers were actually no better off with \$7.67 per ton than in the pre-war period with an average price of \$5.67 per ton.

Since 1920, except in the year 1923, farmers have not received the fair-exchange value for their sugar-beet crops which is assured to them by the administration's bill. In fact, the bill now before Congress has been expressly drawn to remedy this situation and aid beet and cane growers. The funds and machinery are provided for giving growers fair-exchange value for their crops. This means that as prices of articles that farmers buy increase, the beet and cane prices per ton to growers will increase. Surely this is more valuable to farmers than to rely on possible price increases for sugar which may never materialize. In other words, under the bill, the grower, even if the price of sugar goes down, has a Government price guaranty, and, of course, if prices of sugar under his company contract go up and entitle him to more, he then gets more under his contract.

Expert analysis of the bill, applied to individual growers, also shows that under the administration's plan, total receipts for beets produced on the proposed restricted acreage should exceed the total received under present conditions under a larger unrestricted acreage. If, on the other hand, the bill does not become law, and sugar prices decline in an unstabilized market, growers will receive substantially less per acre for beets than would be received under the pending bill if adopted. With reference to the proposed restriction in acreage, two facts should be borne in mind. One is that there will be less expense on the smaller acreage. The other is that the unused acres can, if the farmer likes, be devoted to the production of any other crops than those termed "basic" under the Agricultural Adjustment Act.

SURPLUS PRODUCTION

It should be added that the administration has in view plans for taking care of excess sugar supplies now available from the various producing areas supplying the United States market and that its plans look in the direction either of the distribution of

such supplies over a considerable period, or the removal of all or part of such supplies from the market, without damaging market prices.

FUTURE OF INDUSTRY

Complaints have been made that such restrictions on domestic production will ruin the industry. Naturally representatives of sugar-producing regions have earnestly urged the largest possible domestic production consistent with reasonable sugar prices and farm earnings. It must be pointed out that the industry was not ruined year before last when production was about equal to the limitations proposed in the administration's bill. Indeed the industry, both factories and growers, received better returns and were generally more prosperous in years when production was considerably below the level now suggested by the administration.

EXPORT MARKETS

Our sugar-producing farmer ought also to bear in mind that great numbers of American farmers in other States, such as wheat growers and hog raisers, have their separate problems and interests. The pending bill offers to such other farmers an opportunity to increase some of their export markets for agricultural commodities for which there is now a domestic surplus. In 1928 it was estimated that 1,738,000 acres were required to grow the exports, such as lard and wheat flour, we then sent to Cuba, while in 1932 only 921,000 American acres were required for that purpose. Restoration of the Cuban market for more than 800,000 acres of American exports to the 1928 level is, therefore, sought by other American farmers. To sugar-raising States, of course, sugar production comes first, but other States have their representatives in Congress and are also making their appeals for consideration.

CONCLUSION

In conclusion, although I introduced the present measure in the Senate for the administration and am convinced that its program, which permits reasonable amendments, is highly constructive and important, I have no wish to force on American sugar growers this legislation if they really oppose it, however much I believe it will help them. So far, however, the messages I have received lead me to conclude that the bulk of sugar farmers who know what is in the bill strongly favor the legislation.

While, of course, wanting the largest practicable quota for domestic sugar growers, I declare with confidence that the administration's bill is so meritorious in substance and plans that most of the opposition proceeds either from lobbyists for powerful special interests or from those who favor some other less helpful plan which will not protect the growers if Congress fails to legislate. With many informed men in Washington, who are publicly criticizing and privately praising this bill, it is time for the growers to make their own decision. The impending probable change in the sugar tariff immensely strengthens the argument for the bill. For one, I am satisfied that sugar growers, made more than ever alert by our long depression, will not, in line with one of Aesop's Fables, throw away the substance of farm help to plunge after the shadow of a long-discredited tariff policy. If the bill becomes law, American sugar growers should rejoice that 1934 saw a leader in the White House of sufficient vision and courage to move experimentally toward a long delayed but necessary new deal for the sugar industry.

UNEMPLOYMENT AND RELIEF—ARTICLE BY FRANK R. KENT

Mr. FESS. Mr. President, on last Monday I attempted to analyze the report of the Labor Department on unemployment. This morning there appears an article in the Baltimore Sun touching the question of unemployment and relief. It is a good-tempered article, one of the best I have read. It is written by Mr. Frank R. Kent. I believe everyone would like to read it, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be inserted in the RECORD, as follows:

[From the Baltimore Sun, Mar. 8, 1934]

THE GREAT GAME OF POLITICS—THE BOTTOM PROBLEM By Frank R. Kent

WASHINGTON, March 7.

The seriousness of the situation that now confronts the administration is appreciated by the more thoughtful men within it. It has not, however, been plainly stated by any spokesman.

Heads of the various new deal agencies, each immersed in his own experiment, have no chance to grasp it. Only those can who try to see the thing as a whole. It is no exaggeration to say these are worried. There is a division of opinion as to how to deal with the problem publicly. On the one hand there is the necessity of sustaining popular optimism with the illusion of success; on the other is urgent need of driving home the fact that the crisis is acute. It is not easy to make the choice. One way involves glossing over the facts; the other means unpleasant admissions.

The truth is the Federal relief projects show signs of getting beyond control. In another year, unless means of lessening the burden are found, they will be. As Mr. Hopkins, some weeks ago, said of C.W.A., "We have the bull by the tail and can not let go." This is what is back of the tremendous N.R.A. drive to compel industry to employ more men, to shorten hours, and spread

work. It is back of the demand for complete tariff control for the President, and the determination to prevent additional appropriations for veterans. Behind the whole looms the fact that the Federal Government, in cooperation with the States, is today supporting with public funds millions of men and women. This is the basic administration problem. If support is withdrawn, the condition might be chaotic. Under present conditions the Government dares not do that. This was shown when the President announced a new relief plan as a substitute for the C.W.A., which is exactly the same thing, except in name.

If the Government stops, millions will be without means of subsistence. If it continues, in the judgment of one highly placed man, it will break both the Federal Government and the States. It is enough to cause concern. No one has exact figures, but in every State thousands of families are on the Government pay rolls. The total runs high into the millions and the funds, partly Federal and partly State—except in one or two cases where the States have refused to do anything and the Government does it all—represent a huge total. Many of these people are actually in need, but no small proportion prefers to live this way than to work. Many never expect to work again. Many get more pay than they could by working either for business or on farms.

In addition, the machine to handle and distribute the cash is big, elaborate, and expensive. In every State there is a large central salaried organization headed by a Federal director. In every county of every State there is a similar organization in miniature. There has been no tabulation of the number thus employed or the cost, but no one denies the overhead is great. The President says the Government cannot be expected to keep this up indefinitely. It not only cannot be expected to keep it up—it can not keep it up. More than anything else it is the item responsible for the great increase in national deficit and debt. Within the past year it has forced every State to plunge deeper in the hole. In Maryland last year it was necessary to increase the State debt by twelve millions—nearly 50 percent. This year to get its share of Federal funds an equally great increase will be essential. Thus in 2 years the State debt will have been doubled. Maryland is merely a typical State. If there is indefinite continuation, the end of this is clear. It means, say those who grasp the facts, either chaos or paper inflation. When the Treasury is finally drained, the Government will have to print the money.

The real problem is the relief problem. There seems no sense in not plainly stating it. It is at the bottom of everything, and it has to be solved if we are to keep solvent. Unless it is, the whole new deal is doomed. The President knows this and so do his better-class advisers. The hope lies in a business recovery by the end of the year far greater than today.

THE STIMSON DOCTRINE AND ECONOMIC CONDITIONS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the *Record* an editorial in the *Nation* of March 7, 1934, entitled "Retreat from Stimson." The desire for peace which has permeated our entire Nation has led us to think of other nations as we think of ourselves. Idealism has its place and must be maintained; however, we must not be blind to conditions as they are in the world today. We do not desire war, but if war should come, what shall we say of ourselves and the lack of preparation which is everywhere manifest among us? We need deceive ourselves no longer. A distinguished religious leader told me that in his opinion there are not more than two chancelleries in the world which can be counted upon to uphold the principles of the Prince of Peace. If war should come, economic demands would be made upon us which we would be unprepared to meet. These demands would come whether we maintained neutrality or not. The economic program which calls for curtailed production has no justification in either peace or war, but it certainly will show at its worst disadvantage when the flames of war begin to consume all and more than the warring nations can produce. War leads to devastation, famine, and want. War orphans, war widows, and hungry civilian populations will then cry out for aid and we shall be unprepared to meet their needs. The wisdom of Joseph, who realized that inevitably years of plenty are followed by years of want, is just as true as ever. In the interests of our national well-being and of the impending world crisis every dictate of high idealism and common sense unite to demand that we now prepare in every possible way to meet the emergency which lies ahead. I also ask unanimous consent to have inserted at this point in my remarks an editorial from the *Irish World* entitled "Armageddon."

There being no objection, the editorials were ordered to be printed in the *Record*, as follows:

[From the *Nation*, Mar. 7, 1934]

RETREAT FROM STIMSON

Washington dispatches indicate that President Roosevelt is thinking of modifying the Stimson doctrine. Such modification would inevitably result in American recognition of the Japanese state of Manchukuo. These reports have met with no denial either from the White House or from the State Department. Nevertheless, we find it hard to believe that the President is seriously contemplating a retreat from the Stimson doctrine, or if he is, that he has really weighed the consequences of such action.

When Japan by its conquest of Manchuria set the civilized world at defiance and brazenly violated its obligations under the League Covenant, the Kellogg Pact, and the nine-power treaty, the United States could have followed any one of several courses. It could have attempted to enforce the treaties to which it is a party by the employment of force in the form of a blockade or by direct intervention, either independently or in concert with the other parties to these treaties. Or it could, jointly with the other powers, have applied economic sanctions, thus depriving Japan of the materials it needed to carry on its campaign of aggression. On the other hand, it could have sat back and done nothing, allowing the Japanese to go their way without restraint.

Instead of any of these the United States chose a middle course. It elected to rely upon moral suasion as a means of obtaining enforcement of and respect for the peace treaties. Under the Stimson doctrine it refused to recognize any territorial gains or other changes resulting from military aggression or from violation of international agreements. This doctrine was immediately adopted by the entire membership of the League of Nations except Japan and Siam. As an integral part of the doctrine it was agreed that recognition should be withheld from Manchukuo. Thus the moral weight of the whole world was thrown against Japan and its conquest of Manchuria.

That this policy was having the desired effect may be seen from the extraordinary efforts the Japanese have been making to break through the solid diplomatic blockade of Manchukuo. They have not even been above attempting to trick the Western Powers into recognizing Manchukuo. They have labored hard and long to build up the pretense of an independent state in Manchuria, going so far as to lift the pitiable Manchu prince, Pu-yi, out of obscurity to set him upon a new "imperial" throne. They have endeavored to win French recognition by promising French capital a share in the economic exploitation of Manchuria, and German recognition by dangling attractive trade opportunities before the hard-pressed Hitler regime. While these efforts are mainly significant because they betray the anxiety the Japanese have felt in consequence of the world's moral condemnation of their aggression, it now appears that the Japanese maneuvers may soon succeed in breaking through the united front of the powers. French capitalists are reported ready to extend long-term credits to the South Manchuria Railway, while the German Government is said to be on the verge of recognizing Manchukuo.

If one country abandons the Stimson doctrine in the hope of gaining commercial or other economic advantage, every other power will be sure to follow. This will mean a reversal of the League's policy, though the reversal may not be formally proclaimed; and it has been indicated in Washington that if the League changes its stand the United States will do likewise. Even from a purely selfish point of view such action on the part of the powers would be foolish, for Japanese Government and private-monopoly interests have already grabbed virtually everything of consequence in Manchuria. Moreover, if reports from Moscow are true—and these reports can readily be confirmed by the American Military Intelligence Service in the Far East—the Japanese are developing Manchuria largely with a view to using it as a military base for an invasion of Siberia. American recognition of Manchukuo would then be equivalent to giving American support to preparations for another Japanese war of aggression. In brief, we should be endangering the purposes of our recent rapprochement with the Soviet Union. But recognition of Manchukuo would be more than foolish, and in its implications it would go far beyond any bearing it might have on our relations with Moscow. It would mean the abandonment of a moral principle for the sake of political or commercial gain. It would place a heavy premium on treaty violations. It would, in fact, place the United States in the role of treaty breaker, at least in spirit, since recognition of the booty State of Manchukuo would constitute open and unashamed approval of the Japanese rape of Manchuria in defiance of all Japan's international obligations.

[From the *Irish World*, Mar. 3, 1934]

ARMAGEDDON

When careful and impartial observers the world over are predicting the outbreak of a new world war, and when a priest of the Catholic Church endorses such a prediction, it is time for those who believe in peace to be prepared to maintain it.

Preaching recently in St. Patrick's Cathedral, New York City, Rev. Father Joseph C. Fleming made this significant remark:

"Whether we know it or not, the battle lines are forming for Armageddon, and the most disheartening reflection at the moment is the world's indifference to this tremendous fact."

Not only are militaristic powers urging on the war lords to renewed battle, but there are subsurface movements gathering mo-

mentum which threaten the overthrow of all ordered government everywhere.

So far as this latter aspect of the situation is concerned, few will deny that misgovernment has done more than anything else to encourage these subversive elements. They can be seen in action the world over. Here in the United States we have escaped, at least to some extent, the penalty for this state of affairs, not because there was no abuse of governmental power here but because there is in Washington at this time a man of the people resolved to rid us of the parasites who have fattened on the wealth created by the people.

For years the Irish World has opposed with all the force at its command not only the abuse of riches but the unjust accumulation of riches. Today a similar protest is being voiced in many quarters, on the radio, and in the pulpit. There has come to be a realization of the fact that something is radically wrong with a system which permits thousands, nay, millions, to starve in destitution while a few possess many times more money than they will ever be able to use.

We protested against people suffering from lack of food and clothing in a country which produced a surplus of food and clothing. Today that protest is being sounded all over the Nation. The only difference is that our protest was voiced at a time when the racketeers and the profiteers were in power; it has become more popular today when those at the head of the Government are leading an assault upon these forces of evil.

Not merely 2, 5, and 10 years ago, but 40, 50, and 60 years ago the Irish World—as its files show—took a determined stand against those who took the profits of the workers and used them for their own enrichment while the worker himself and his family seldom escaped from the shadow of starvation and destitution.

The advent of a new deal in our National Government has given rise to the hope that these abuses will be corrected here and those responsible for them will receive the punishment they have so richly earned. It is too much to hope that everything can be accomplished in a year or two, but the fact that the situation has been recognized and faced and that the general cleaning out of these parasites has commenced has had a great deal to do with the present tranquillity of this country. The people believe in Roosevelt and in the Roosevelt policies. They are giving him a full and generous measure of support. They refuse to listen to the critics who try to tell them that Roosevelt is all wrong, not because they reject criticism but because the critics have no alternative to offer that does not ultimately lead back to the selfsame system which brought about the wide-spread wreck and ruin which we call the depression.

In other nations we see riots and bloodshed as oppressed people rebel against tyranny. We must look further than the newspaper reports to know why these things are. We are told that Socialists revolted in Vienna; that they were quelled by anti-Nazi organizations. These are probably facts, but why are people attracted to socialism, to Nazi and Fascist doctrines? Is it not because they are the victims of social oppression? Where this oppression does not exist, or where efforts are being made to change the system which brought it into being, these elements obtain little or no support from the mass of the people. The people of Paris rebelled against abuse, corruption, and gross fraud; not against their system of government but against the acts of those in that government.

On the other side of the question we see so-called "statesmen" striving deliberately to bring about another deluge of blood. How few and how puny are the efforts being made to create friendship between nations; how many are working to stir up enmity! In central Europe, at the present time, there are men who make no secret of their intention to start another war if the opportunity is afforded them. The Governments of France, England, Italy, and Germany are kept in leash chiefly because of lack of money with which to purchase munitions. Plot and counterplot, intrigue and trickery, are characteristic of the chancelleries of Europe today; more, are their chief occupation. Russia rattles the saber; Japan snarls. And the greatest country of them all, the one with the least warlike intentions, the one that is creditor to the world, scraps its fleet, reduces its army, and invites a warring world to come and take it.

The world situation today, viewed dispassionately, is loaded with dynamite.

It may be that armageddon approaches. If such be the case, it is evident that the one nation capable of saving what remains of our civilization is this Republic of the West. Here, at least, let us be strong enough to keep out of war; let us do all that lies in our power to prevent war by having the strength to render a decisive "no."

The future of humanity may yet rest upon the shoulders of those who govern this country.

EDUCATION AND PREVENTION OF CRIME—ADDRESS BY SENATOR COPELAND

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject "Education and the Prevention of Crime", delivered by the senior Senator from New York [Mr. COPELAND] before the National Education Association, department of superintendence, Cleveland, Ohio, convention, on February 28, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Any Member of the United States Senate would be flattered by an invitation to speak to this group. I say this because the National Education Association is representative of what in many respects is the most important profession practiced by men and women.

We have chosen in America to turn over to the school teachers not only those duties which are naturally theirs, but also many of the functions which should be performed in the home. We have come to expect the teacher to instruct our children in manners, personal hygiene, social etiquette, and the household arts. We expect the teacher to give by precept and example that moral and ethical training which in other times was imparted by the home and the church.

At this moment I have no desire to challenge the fundamental wisdom of this, our almost universal custom. It is mentioned merely to prepare the way for certain comments which will follow.

Before entering upon that discussion, let me pay a brief tribute to the teacher. I regard that public servant as the most potent factor in the training of our children in honesty, worthy ambition, self-control, and substantial preparation for merited success in the battle of life.

It happens many times that the influence of an inspiring teacher has neutralized evil tendencies which environment has imposed upon unfortunate children. No thoughtful person who analyzes his own mind can fail to find reason for gratitude to this or that teacher for the rich contribution of noble thoughts and desires planted there during school days.

The teacher is the most self-sacrificing, hard-working, and poorly paid individual of all those included in the schedule of public servants. That is my honest conviction and one I have held for many years.

Certain recent experiences of my own have given me a growing belief that America must lean still more heavily upon the school teacher. As chairman of a committee appointed by the United States Senate to investigate crime, it has been my duty to listen to the testimony of hundreds of witnesses. What we have learned centers upon one point—the necessity of preventing juvenile delinquency. To accomplish this the schools can do more than all other agencies within public control.

The importance of what I shall have to say to you is emphasized by the statistics of crime. In the United States today the average age of the criminal is 23 years. The largest age group is found at 19 and the next largest group at 18. The seeds of moral delinquency sown and grown during school age develop into evil plants, the fruits of which are publicly displayed by boys and girls long before maturity of their minds and bodies.

In saying these things to this particular group I am not unmindful that the members of your association have long been concerned over the problems which crime presents. I am aware of the serious thought you have given this subject and am acquainted with your research bulletin on Crime Prevention Through Education, published in 1932, and your Tenth Yearbook on Character Education, published in the same year.

I am depending on your wide background of knowledge to fill in an outline of the facts for which I have but brief space. I must trust your trained imaginations to supply the details, depending upon your proven patriotism and loyalty to perfect and carry out some such plan as the one I shall propose.

First, let me present a brief statement of fact: From several sources, apparently authoritative estimates of the cost of crime, it appears to total approximately one fourth of our national income. This sum, as is pointed out in your bulletin, exceeds by at least three times our total expenditures for education. We can agree, I believe, that the cost of crime in money and in reduced morality of the people is devastating beyond computation.

You know better than I how much the situation has been aggravated by recent publicity given the activities within the law of certain metropolitan bankers, utility heads, and business executives. Such infractions of the moral law reported by the press, are dramatic presentations which must have undermined the public morale and the morals of many individuals. Your minds will quickly jump to acts within your own knowledge, where perhaps there may have been smaller monetary losses but which are equally distressing examples of that lack of the sense of trusteeship and general public spirit which should characterize men of affairs. The antisocial conduct of persons operating within the law, ruthlessly exploiting the economic resources of the public, has inflamed the minds and emotions of criminals and weaklings. Recognized as one of the major causes of our economic condition, those acts have added to the general social unrest.

In short, the factors that have acted to promote criminality have been added to of late because of economic conditions, and what the average man believes is the chief cause of our economic distress. No matter how we approach the problem, we surely must agree that the menace of antisocial behavior and actual crime is greater than ever before.

Where does crime begin? The answer to that question will determine what we should do about it. While there are many causes, no doubt, yet there will be no dispute of the thesis that the perfect home should develop the perfect character.

Most of us regard character building as the primary responsibility of the home. But, if I may jump to my conclusion on this point, I am forced to recognize that there is no immediate hope of greatly improving the home conditions of those who may later follow criminal careers. To accomplish this end is a long-range process.

We think of the church as having a heavy responsibility in character building. But as regards this, I can criticize no church except my own. For any except my own denomination I have no right to comment upon the adequacy of its character-building program or to make recommendations for the extension of its work. I will say of my own denomination that I believe there is much more it should be doing. But whatever the churches may do in the future, we cannot turn to them for an immediate and major attack on the problem of crime. I pause only long enough to express confidence that the church will lend support to a well-planned program of prevention.

This brings me to the schools. It is an old custom, familiar to you, to carry to the doorstep of the school all the problems that cannot be solved in the home or elsewhere in the community. To blame the schools and the teachers appears to be one of the diversions of the American people. But it is not in this spirit that I approach the subject under discussion.

I could devote my available time to reviewing the forces which have tended to transfer from the home to the school almost the entire responsibility for the welfare of children. To you this is a well-known story. But when I turn my thoughts to what the schools can and should do in the matter before us, I have been wondering how the public would respond to a new plan. What would happen to a proposal that the public schools assume the responsibility for a basic crime-prevention program?

In face of the alarming facts about crime and the growing anti-social conduct within the law, may not the public be wondering what has happened and why? How many are inquiring how such a state of affairs has come to pass in a country that has so liberally supported schools for the express purpose of insuring good citizenship?

Personally, of course, I do not place upon the American public-school system primary responsibility for this crisis. But what shall we say in reply to those who charge the public schools with a share of the blame?

The report and a digest of the hearings of our Senate subcommittee, which will soon be off the press, contain pointed discussions of this question. I want to refer you to this report for comments on the merits of the public-school record of past performance. Whatever may be your own conclusions, I know you are ready to face the issue of your future responsibilities in this field; and, of course, it is the future alone that we can do anything about, whether in the line of your duty or mine.

One of the questions I want to ask you today is this:

Does the habit of appraising the influences of schools exclusively in terms of intellectual achievement and manual skill have anything or everything to do with our trouble?

To define clearly what I mean I want to make reference to two recent publications: First, the committee of the American Association of University Professors, in its report issued last May, stated that the purpose of college teaching is to "induce self-propelled intellectual activity on the part of the student."

The second reference is to a report of the Commission on the Social Studies, entitled, "A Charter for the Social Sciences in the Schools", drafted by Charles A. Beard. This is intended to emphasize the value of scholarship and skill in scientific method as a primary dominating objective. This point of view is epitomized on the ninety-ninth page of the report, which I quote:

"All the way through the schools the process may be followed, *ever sharpening the mind*" (the italics are mine) "by increasing the complexity of the situations about which questions are asked and of the materials necessary to correct answers, rising steadily in the complexity and abstraction of the subjects considered."

The words "character", "conduct", "behavior", "attitude", and "emotions" do not appear in Beard's index. His discussion of character and the process of character building are limited to a few sentences in the closing pages of his 117-page charter. These two reports financed by large foundations seem to represent the point of view of orthodox leadership of our higher educational institutions.

Is it proper for me to ask: Have not educators tended to define the job of the schools in terms of developing tool skills, and of mastering narrowly defined content? Have they not placed unduly exclusive emphasis upon sharpening the minds of those who are to be the lawyers and the executives of the future, as well as the minds of the average run of us who pass through the school system?

Has not the habit of appraising the results of schools in terms exclusively of intellectual achievement and manual skill tended to produce a citizenry with sharpened wits and skilled craftsmanship rather than a realizing sense of social obligation and good citizenship?

Has not our attention been too sharply focused on the universal mastery of scientific method, to the exclusion of the personal and social needs of the masses of our children?

Let me turn from this questioning process a moment to say this: Sometimes the scientist becomes so engrossed in what he sees in the microscope that he fails to lift his eye from the instrument to gaze upon the wide world about him.

I have asked what I intended to be pointed questions regarding problems which to me as a layman are not being solved by the intelligentsia—and I use that word with entire respect. Have not teachers and teachers' colleges, in their zeal for a predetermined curriculum and for a universal intellectual discipline, forgotten that their objective is good citizens rather than subject matter conformity? In all candor, I believe they are shooting over the target.

We must take society as it is. Our program of education must be suited to the requirements and capabilities of each boy and girl according to individual need. In view of this self-evident truth, it may be fortunate that the many and no doubt brilliant suggestions of educational literature have met no more than intellectual, languid, and ephemeral acceptance. Far be it from me to criticize, but, in humility of spirit, I contend that there is something in education more vital than sharpening the mind.

Undoubtedly many ideas in education now considered too advanced will find a place in the practice of the schools of the future. It is to be expected that there should exist some lag between the time of general acceptance of a policy, program, or principle and its complete incorporation into practice.

Even though the program I present today may be approved by you, it will take time to appraise its value. But certainly as regards past objectives has there not been an excessive lag in the field of education? Even though this exists in public education, it is also true in home training, in parent education, in the efforts of the church, and in the work of character-building agencies. But these last institutions are outside your field. Certainly your desire is to define the objectives of teaching and of the total school experience and to realize them as soon as possible.

I want to refer next to the 1932 Bulletin No. 17, Monograph No. 13, of the United States Department of the Interior, Bureau of Education, entitled "Provisions for Individual Differences, Marking, and Promotion." This monograph reports a study covering the efforts of the secondary schools to break away from traditional practices and to adjust their programs to individual needs. This report appears to indicate that there is a tremendous desire to do something about the problem of the differences in individuals. But in this report I have found grounds to warrant several questions: Have not the standardizing agencies of the past, the rigid requirements for college entrance, and the prescriptive curriculum made well nigh impossible real progress in meeting the variable needs of the masses of our students? Have the schools and teacher-training institutions made adequate provisions for ascertaining the abilities and needs of pupils as individuals? Has any school or teachers' college carried out the logical implications of Professor Morrison's justly famous statement to the effect that teachers should spend half their time studying their pupils as growing individuals and the rest of their time doing what that study shows to be desirable and necessary?

My attention was recently called to an interesting innovation made by Supt. Herbert S. Weet and inaugurated just before his retirement from the public schools of Rochester, N.Y. Dr. Weet has been active in your body for so many years that I am confident he is known and loved by all of you.

Dr. Weet has provided for two groupings, (a) in accordance with individual ability and (b) a marking system which undertakes to recognize five major areas of desired results, including character building and habits. I note, however, that in his system promotion is decided solely on the marks in tool subjects, such as spelling, arithmetic, and geography.

I hope no one will read into my remarks the slightest inclination to criticize any teacher, any parent, any social worker, or any clergyman for the emphasis placed upon the scientific method, upon objective thinking, or other methods of procedure. Anything I might say is necessarily no more than the general opinion of a layman anxious to be helpful. My purpose is to stimulate your interest and to cause you to focus your attention upon what I personally regard as important—a restudy of the objectives of education from the viewpoint of the individual child who must live in a complex and changing society.

Perhaps the examples I have given are sufficient preface to a preliminary concrete suggestion dealing with a way in which the public schools can help in a major attack on the prevention of crime. The suggestion calls for a thorough-going application of a particular one of the many generally accepted proposals with which you are familiar, a proposal which, because of the lag I have mentioned, has not yet been adopted into universal practice.

Nearly 10 years ago Dr. Ben D. Wood, of Columbia University, proposed the adoption of a continuous record card for general use in the public-school system. The plan for a continuous record has been promoted by various agencies, including the American Council on Education. Many individuals have urged its adoption.

Professor Wood early proposed that the school record should include not only the classroom grades and objective measures which are useful in long-term intellectual guidance but also a behavior record so designed as to disclose the blossoming character and personal and social development of the child. Such a behavior record has been demonstrated and, as I view it, greatly improved in the practice of the Rochester Athenaeum.

If the system is used, as I believe it should be, in every community, the public schools will have placed every child under continuous constructive observation. The child who shows anti-social tendencies may then be given special attention and such treatment as the individual case requires. Under this system, prevention of crime can be undertaken in time to produce results. You can readily imagine the far-reaching effects if the character-building agencies of the community collaborate energetically with the schools in helping suspected predelinquents to achieve normal adjustment.

Of course, it is not enough merely to start upon another campaign of record making. Attics and basements are filled with "reports" and material which its fond authors thought to be of such importance that it might sometime be studied, formulated,

and made of practical use. Holding the same idea, the United States Government is erecting what is called the "Archives Building." It occupies an entire square on Pennsylvania Avenue in Washington. This is to be used to store papers, some of them valuable, no doubt, but many of them worthless trash.

If the behavior reports were to be filed in cabinets somewhere, in order that a statistically inclined person might use them sometime, I should not be interested. Such reports are invaluable, provided their significance is recognized and their potentialities are wisely exploited. But the realization of these potentialities in terms of better individual school adjustments and more effective citizenship depends upon a reorientation of our whole teaching and administrative personnel regarding the place of guidance, personal adjustment, and character building in relation to the curriculum and the traditional procedures and attitudes which it has engendered and perpetuated.

It ought to be clear that if a pupil in the schools manifests habits of thought or tendencies which are or may become antisocial in their nature, there should be instituted at once an inquiry to determine what is wrong, and appropriate corrective measures should be taken without the traditional subservience to the formal integrity of the curriculum. To this end there must be set up in connection with every school system a means of immediate treatment of the child who appears to need it. Surely in every community there are enough general medical practitioners, dentists, psychiatrists, specialists, and surgeons, also trained psychologists and social workers, who will gladly examine the child and give the school authorities the needed help to determine a course of action.

The thought I have in mind is that the behavior record will carry a warning that there is danger along the path of progress of this particular pupil. It may be a red light, indicating the necessity to stop, look, and listen. If it serves to attract attention to the need for special treatment and if, as a result of collaboration with these scientific consultants, the child is returned to mental and physical health, our first purpose has been accomplished.

In urging the importance of the social, personal, and moral influences of the schools, I do not mean to minimize the intellectual influences and scientific disciplines. These are now and, I hope, will ever be important in our schools. What I here suggest is that our pursuit of intellectual discipline shall not be so exclusive as to leave character building to chance, nor so indiscriminating with regard to individual limitations and needs as to provoke or perpetuate negative reactions and antisocial attitudes in some of our children. Let us not forget that while appropriate intellectual training may go far toward correcting antisocial attitudes, it is also true that inappropriate or wrongly motivated learning efforts may produce opposite results.

The testimony of several leading educators at the subcommittee hearings indicates that unconstructive attitudes and the formation of antisocial groups among school children frequently originate in or are perpetuated and aggravated by academic maladjustments. Hence the importance of maintaining continuous records both of growth in academic and intellectual achievements and of extra-curricular experiences, personal and social adjustments, and character development.

The reports of all school systems that have come to my notice reveal an appallingly large number of academic failures in every grade year after year. Authentic testimony indicates that many, if not most, predelinquents are found in these failing groups. Are these failures inevitable or are they due largely to the fact that our curriculum is still so rigid that many of our pupils are confronted with academic tasks which are beyond their abilities, irrelevant to their interests and needs, and which foredoom them to what our inflexible academic standards call failure? It seems to me, as an interested layman deeply sympathetic with teachers in dealing with their complex problems, that the type of intellectual and behavior record here proposed, which centers attention upon the pupil as a growing entity, cannot fail to increase their success in dealing with problem cases of all types.

But important as the use of the behavior record will be with the problem child, its use is vastly more important with all the rest of the pupils. My good friend, Dr. Eugene A. Colligan, president of Hunter College, has supplied me with an excellent manuscript relating to teacher guidance in conducting character education in the public-school system of New York. These guides suggest a thoroughly sound program of day-to-day instruction.

In taking over the guidance of a new pupil, however, the teacher is at great disadvantage without a history of the child's behavior in the earlier grades. As I view the problem, behavior records promise to do for the practice of the teacher in the field of character building what records have done for the doctor in his practice. Except in case of emergency, no surgeon would think of operating unless he had studied the case records of the patient. The reports of what the attending physicians have found in the past will help the surgeon to do a good job, and perhaps be the determining factor as to what shall be undertaken.

These references to the behavior-record system pave the way for another question:

Is it possible to do vastly better in character building than we are now doing?

If you answer in the affirmative, there remains the question as to how we shall break through the restraints that have stood in the way of progress in this field. How must we go about our task if we are to make full use of the available knowledge and experience at our command?

As a first movement in a major attack, let us secure from the public a new mandate. Let us have new specifications of the results expected from public education, or a restatement of objectives. I believe that in drawing these specifications there must be written in large letters certain primary conditions. We expect results in character and in everything that is essential to good citizenship rather than results measured chiefly in terms of facts learned or in terms of pure intellectual activity or sharpened minds. If you agree with me, I am prepared to join with you in an effort to win general acceptance of a public policy redefined in such terms as I have stated.

The National Government may assemble facts which will be helpful in the formulation of a general policy in education. Let it be borne in mind, however, that the States never delegated to the Federal Government any legislative or administrative authority in the field of education. Under our Constitution the acceptance of a new policy and of action under such a policy must be left to voluntary cooperation.

In order to have an agency to coordinate such volunteer efforts and to assist in the work of our Senate Subcommittee on Crime, we have formed an advisory body known as the "Education and Law Conference." The plan of organization of the conference assumes that its members will all be voluntary, nonofficial, unpaid workers.

We are in process of organizing an advisory committee and several technical committees. Through these we hope to carry on the work of the conference. The members of these technical committees will be selected from experts known to be free to actively participate in the work of the conference. For example, Prof. Ben D. Wood has accepted the chairmanship of our committee on records, and Prof. W. W. Charters the chairmanship of our committee on instructional materials. Other committees will be organized as the plan proceeds.

If we agree upon the wisdom of such an organization, we need to consider a second step. Sane, practical measures must be taken to develop in practice a full expression of a new American policy in education. Such measures should be evolved as will not interfere with present day essential educational practice and without reduction in efficiency in providing the pupils with the tools of literacy. It is particularly important in these days of economic stress, too, not to increase unduly the cost of the schools. But the desired results cannot be attained unless the plan is so stated as to catch the imagination of every community and command its respect and voluntary cooperation.

To make a clinical test, to use the words of my profession and to demonstrate the type of development proposed, Dr. Ballou, superintendent of the Washington schools, is arranging to initiate the proposed plan in the District of Columbia. This will involve evolution in many areas. You can see that he must face problems in administration, records, individual instruction, materials of instruction, training teachers in service, adult classes, and evening classes. In community contacts there will be a new relationship to the movies, the press, the facilities for recreation, the church, the juvenile courts, children organizations, and many more.

In the furtherance of Dr. Ballou's development the American Council on Education and the Education and Law Conference have set up a joint committee for the coordination of community effort in making this development a success. Under this arrangement the technical committees of the Education and Law Conference serve in an advisory capacity only. The local joint committee functioning as a committee of the American Council has assumed the responsibility for all operating activities.

I have given you the details of this set-up because I want you to see how we are proposing to face not only the local conditions but the deep-rooted traditions of State rights and local autonomy. The most that may be claimed for the Federal Government in such a matter is that it is the function of the Congress to do what it can for the people under the general-welfare clause of our Constitution.

Our experience with prohibition has reminded us that it is dangerous to attempt to modify the practices of our people in major activities through constitutional amendment and Federal legislation. Just as the operation of bringing about temperance in America rests upon the educational agencies of our country, so the building of character and good citizenship is more dependent upon volunteer cooperation than upon laws.

It has seemed necessary for the success of Dr. Ballou's project to seek general public approval of his plan and also the approval and cooperation of the colleges and universities in the District, the churches, the so-called "character-building agencies", the welfare agencies, and all the rest of the agencies which you know from experience affect operations of the public-school system. I hope the procedure proposed for the District of Columbia will be followed in each State. A new deal in education must grow from the seeds of progressive ideals and ideas which have been so generally planted locally by you and other leaders in the past.

The agencies of informal education must have a large place in any consideration of this subject. For example, the newspapers, motion pictures, and the radio make a daily impression on the majority of our people. That the combined influence of these agencies is growing more constructive requires only a comparison of the releases of a decade ago with those of the present. Here, as in other areas of education, the path of progress is through cooperative study and action, and I hope these agencies will join in using for this purpose the education and law conference.

Because I place such complete dependence upon voluntary cooperation, I have concluded there is needed only one general legis-

lative enactment by the Congress. In consequence I have introduced in the Senate a bill which is intended to serve two purposes:

First, it is intended to establish a privileged status in the Federal courts for teachers and their behavior records of the American Council type—records which I hope will eventually be established for every child of school age in this land.

And second, I hope this bill will establish, so far as the Federal Government is concerned, the professional status of the teacher as parallel with and comparable in its dignity and authority to that of the doctor and clergyman.

If this proposed act meets with your approval, I trust you will join the movement to see that it is also written into the statutes of the 48 States. Support of such legislation assumes that you are ready to support my major thesis, which is that we must redefine the desired objectives of education for our children as individuals in society.

If you support this thesis, I repeat:

We must secure, from the public, support for a restatement of what should be the American policy as to the desired results of education in terms of character and citizenship as well as content. We must secure from higher educational institutions an emancipation from the requirements for college entrance insofar as they in fact interfere with the legitimate efforts to achieve results in terms of a newly defined public policy. If this policy is adopted, the colleges themselves may well go through a period of soul searching as to the possibility of their own need of readjusting their practices.

To these ends I bespeak your voluntary cooperation, both in the general support of the Education and Law Conference and in the work of its education committees, in fostering joint projects initiated in the spirit of the proposed District of Columbia project. If by this means we can make a successful attack upon juvenile delinquency, the next generation will bless us for our efforts. If we succeed in deepening the public spirit of our students and developing that high sense of trusteeship which will stand the test during the competitive actions of later life, we shall have saved the Nation from a repetition of the alarming disclosures of vicious conduct in high places. We shall have had a large part, too, in giving to America the leading place in moral as well as technical education.

CONSTITUTIONALITY OF THE COTTON ALLOTMENT BILL

Mr. BANKHEAD. Mr. President, I requested the Attorney General's Office to give me the benefit of the services of one of the best attorneys in the Department on the power of Congress under the taxing clause of the Constitution. Mr. Alexander Holtzoff was selected. I submitted to him the bill known as the "Bankhead cotton control bill" and asked him to give me an opinion on the constitutionality of the taxing provision of the bill.

Subsequently Mr. Holtzoff submitted to me his opinion on the subject. While this opinion is not an official one I think it is valuable and will be helpful to Members of Congress who are interested in the subject. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

THE CONSTITUTIONALITY OF THE COTTON ALLOTMENT BILL (S. 1974)

By Alexander Holtzoff

The bill proposes to impose a tax on all cotton ginned in the United States. There is to be exempted from this tax an amount of cotton grown on each farm not exceeding the amount allotted to it by the Secretary of Agriculture. For the purpose of making the necessary allotments to each farm engaged in the cultivation and production of cotton, the Secretary of Agriculture is directed to ascertain the available supply and the probable market requirements of cotton year after year and to apportion it amongst the cotton-producing States, the counties within the States, and the farms in each county pursuant to a formula prescribed in the bill. The bill is thus a revenue measure.

I. THE BILL IS A VALID EXERCISE OF THE TAXING POWER

The bill seeks to impose an excise tax on the ginning of cotton. The power of Congress to impose excise taxes is unlimited, subject only to the qualification that they must be uniform—and this has been held to mean uniform in the geographical sense. The limitations of the fifth and tenth amendments do not circumscribe the taxing power in any respect.

Thus, in *McCray v. United States* (195 U.S. 27, 61), it was said: "Whilst undoubtedly both the fifth and tenth amendments qualify, insofar as they are applicable, all the provisions of the Constitution, nothing in those amendments operates to take away the grant of power to tax conferred by the Constitution upon Congress."

Likewise, in *Billings v. United States* (232 U.S. 261, 282), the Court wrote as follows:

"It has been conclusively determined that the requirement of uniformity which the Constitution imposes upon Congress in the levy of excise taxes is not an intrinsic uniformity, but merely a geographical one (*Flint v. Stone-Tracy Co.*, 220 U.S. 107; *McCray v. United States*, 195 U.S. 27; *Knowlton v. Moore*, 178 U.S. 41). It is also settled beyond dispute that the Constitution is not self-destructive. In other words, that the powers which it confers

on the one hand it does not immediately take away on the other; that is to say, that the authority to tax which is given in express terms is not limited or restricted by the subsequent provisions of the Constitution or the amendments thereto, especially by the due-process clause of the fifth amendment."

Again it was stated in *Brushaber v. Union Pacific Railroad Co.* (240 U.S. 1, 12, 24):

"That the authority conferred upon Congress by section 8 of article I, 'to lay and collect taxes, duties, imposts, and excises' is exhaustive and embraces every conceivable power of taxation has never been questioned, or, if it has, has been so often authoritatively declared as to render it necessary only to state the doctrine.

"So far as the due-process clause of the fifth amendment is relied upon, it suffices to say that there is no basis for such reliance since it is equally well settled that such clause is not a limitation upon the taxing power conferred upon Congress by the Constitution; in other words, that the Constitution does not conflict with itself by conferring upon the one hand a taxing power and taking the same power away on the other by the limitations of the due-process clause."

In *United States v. Doremus* (249 U.S. 86, 93), these principles were summarized as follows:

"The only limitations upon the power of Congress to levy excise taxes of the character now under consideration is geographical uniformity throughout the United States. This Court has often declared it cannot add others. Subject to such limitation, Congress may select the subjects of taxation and may exercise the power conferred at its discretion. (*License Tax Cases*, 5 Wall. 462, 471.) Of course, Congress may not in the exercise of Federal power exert authority wholly reserved to the States. Many decisions of this Court have so declared. And from an early day the Court has held that the fact that other motives may impel the exercise of Federal taxing power does not authorize the courts to inquire into that subject. If the legislation enacted has some reasonable relation to the exercise of the taxing authority conferred by the Constitution, it cannot be invalidated because of the supposed motives which induced it. *Veazie Bank v. Fenno* (8 Wall. 533, 541), in which this Court sustained a tax on a State bank issue of circulating notes. *McCray v. United States* (195 U.S. 27), where the power was thoroughly considered, and an act levying a special tax upon oleomargarine artificially colored was sustained. And see *Flint v. Stone-Tracy Co.* (220 U.S. 107, 147, 153, 156), and cases cited."

The motive of the Congress in levying a tax is immaterial and will not be considered by the judicial branch of the Government in determining the constitutionality of a tax measure. Consequently the mere fact that the ultimate purpose of a tax measure is not to collect revenue but to accomplish some other purpose does not constitute a ground for declaring it unconstitutional.

Thus in 1866 Congress passed an act levying a 10-percent tax on bank notes issued by State banks. The real object of the statute was not to raise revenue, but to eliminate State bank notes from circulation. It is understood that no revenue was ever collected under this measure, so effectively was its real purpose accomplished. The validity of this measure was challenged on this ground, among others. In *Veazie Bank v. Fenno* (8 Wall. 533) the constitutionality of the act was upheld.

In *McCray v. United States* (195 U.S. 27) the Supreme Court upheld the validity of the statute taxing oleomargarine. The act provided for a very low tax on white oleomargarine and a much higher tax on yellow oleomargarine, because the latter so closely resembled butter that it was frequently sold as a substitute. Again the actual intention of the Congress was not to provide a new source of revenue, but to suppress the sale of oleomargarine as a butter substitute under circumstances under which the purchaser did not realize that he was not buying real butter.

A very striking illustration of this principle is found in the Narcotic Act, which, under the guise of the exercise of the taxing power, placed traffic in narcotics under severe and stringent restrictions in an endeavor to suppress all dealings in drugs other than those expressly permitted. Again the validity of this act was attacked, but the objections were overruled and its constitutionality upheld in *United States v. Doremus* (249 U.S. 86).

There are two decisions that might possibly be cited as opposed to the foregoing line of authorities, but on close analysis they become clearly distinguishable. They are the *Child Labor Tax Case* (259 U.S. 21), and *Hill v. Wallace* (259 U.S. 44). In the first of these cases the Supreme Court held unconstitutional a tax on all concerns employing child labor. In the second, there was held invalid a measure imposing a tax on dealings in grain futures other than those consummated on boards of trade and embodying an elaborate scheme for regulating boards of trade. In each instance, the decision of the Supreme Court was placed on the ground that the purpose of the measure was to regulate intrastate business, in one case manufacturing and mercantile concerns employing child labor, and in the other case, boards of trade, which from the facts before the Court did not appear to have any relation to interstate commerce. This reasoning is clearly inapplicable to the situation here under consideration. The business affected by the measure is not a wholly intrastate business. On the contrary, it is principally interstate. The bill seeks to reach interstate commerce in cotton. It is a well-known fact that the major portion of the cotton produced in the United States, after it is picked, enters the channels of interstate and foreign commerce. This bill does not touch the growth and

production of cotton. It seeks to reach it at the moment it begins to enter the channels of trade, namely, when it is ginned. Most of it then finds its way into interstate or foreign commerce.

II. THE EXEMPTION FEATURES OF THE BILL ARE VALID

The fact that the bill exempts from the tax a certain minimum amount of cotton allotted to each producer in no way detracts from the validity of the measure. It is within the constitutional power of Congress in levying an excise tax to create exemptions. An obvious illustration in support of such procedure is found in the exemption features of the income tax law, the validity of which were expressly upheld in *Brushaber v. Union Pacific Railroad Co.* (240 U.S. 1).

Similarly, in the oleomargarine case, to which reference has been made (*McCray v. United States*, 195 U.S. 27), a much higher tax was imposed on yellow oleomargarine than on white oleomargarine, with the motive of preventing oleomargarine producers from coloring their produce yellow and thereby misleading the public into thinking that it is butter. In *Billings v. United States* (232 U.S. 261), the Supreme Court upheld the tax on foreign-built yachts, although no similar tax was imposed on yachts of domestic construction.

III. THE BILL DOES NOT CONTAIN ANY DELEGATION OF LEGISLATIVE POWER TO THE SECRETARY OF AGRICULTURE

The authority to apportion the amount of cotton to be produced in any one year by the various cotton-producing States, the counties in each such State, and the farms in each county does not constitute a delegation of legislative power. The bill fixes a standard or a formula which the Secretary of Agriculture is to apply. Section 1 declares the policy of Congress. Section 2 requires the Secretary to ascertain from an investigation of the available supply of cotton and the probable market requirements, the quantity of cotton that should be offered for sale during the succeeding cotton-crop year. Section 4 prescribes the measure by which the Secretary of Agriculture is to apportion the entire amount of cotton among the several cotton-producing States, i.e., the ratio of the average number of bales produced in each State during the 5 crop years preceding the passage of the act to the average number of bales produced in all the States during the same period. On a similar basis he is directed to make an apportionment among the several counties in each such State and likewise among the various farms within each county. Thus there is no room for arbitrary action by the Secretary. The bill directs the Secretary of Agriculture to find certain facts and to make certain apportionments pursuant to a prescribed formula. This is not a delegation of legislative power.

An examination of congressional legislation indicates that from the earliest days of the Republic, Congress has had occasion to pass laws containing a general principle or a formula, leaving to the Executive the determination of the occasion on which the general principle should be invoked and the manner in which it should be effectuated. Some acts included provisions that violations of any regulation that might be made by the Executive in carrying it into effect should be deemed criminal offenses. In a long line of decisions the Supreme Court has sustained the constitutionality of this type of legislation. It realizes that as a matter of practical administration of governmental affairs, it is impossible to foresee and cover every detail by legislative enactment. Much must be left to the discretion of executive officials. The legislative branch of the Government need properly concern itself solely with enacting general principles the detailed application of which must often be left to the judgment of administrative officers. Congress delineates and sketches a general outline; the Executive fills in the details.

These principles were summarized as follows in *Mutual Film Corp. v. Ohio Industrial Commission* (236 U.S. 230, 245):

"While administration and legislation are quite distinct powers, the line which separates exactly their exercise is not easy to define in words. It is best recognized in illustrations. Undoubtedly the legislature must declare the policy of the law and fix the legal principles which are to control in given cases; but an administrative body may be invested with the power to ascertain the facts and conditions to which the policy and principles apply. If this could not be done there would be infinite confusion in the laws, and in an effort to detail and to particularize, they would miss sufficiency both in provision and execution."

Within a few years after the adoption of the Constitution, during the second administration of George Washington, Congress, by the act of June 4, 1794, granted to the President authority to lay an embargo on all ships and vessels in the ports of the United States "whenever, in his opinion, the public safety shall so require", and under regulations, to be continued or revoked "whenever he shall think proper."

By the act of February 9, 1799, the President was given authority to remit and discontinue for the time being the restraints and prohibitions which Congress had prescribed with respect to commercial intercourse with the French Republic "if he shall deem it expedient and consistent with the interest of the United States", and to revoke such order "whenever in his opinion the interest of the United States shall require."

During the administration of Thomas Jefferson, Congress, by the act of December 19, 1806, delegated to the President the power to suspend the operation of the nonimportation act, "if in his judgment the public interest should require it."

By an act approved on May 1, 1810, by President Madison, who participated in the framing of the Constitution probably to a greater extent than any other single individual, Congress au-

thorized the President to revive a former act as to Great Britain or France if either country had not by a certain day so revoked or modified its edicts as not to violate the neutral commerce of the United States.

The act of March 3, 1815, conferred upon the President the power to declare the repeal as to any foreign nation of the several acts imposing tonnage and import duties, when he should be satisfied that the discriminating duties of such foreign nations, so far as they operate to the disadvantage of the United States, had been abolished.

It is a significant commentary on the topic under discussion that all of the statutes that have just been enumerated were enacted while many of the framers of the Constitution were still living and active in public life. It does not appear that the constitutionality of any of these statutes was ever called in question.

The act of May 31, 1830, contained provisions similar to those of the act of March 3, 1815.

By the act of March 6, 1866, the President was clothed with authority to declare inoperative the provisions of the act forbidding the importation of cattle whenever in his judgment that might be done without danger of the introduction or spread of contagious or infectious disease among the cattle of the United States.

The Tariff Act of October 1, 1890, authorized the President to suspend the free importation of sugar, molasses, etc., from any country which levied duties against importations from this country that he might deem unequal and unreasonable. The validity of this enactment was attacked as delegating legislative power to the President. The Court overruled this contention and sustained the validity of the statute (*Field v. Clark*, 143 U.S. 649, 680).

The act of March 2, 1897, prohibited the importation of inferior tea. It was provided that the Secretary of the Treasury should appoint a board of experts every year to fix and establish uniform standards of purity, quality, and fitness of all kinds of tea imported into this country. All tea inferior to such standards was to be deemed within the prohibition as to importation. In *Buttfield v. Stranahan* (192 U.S. 470, 496) the Supreme Court ruled that the statute was constitutional and did not involve the vesting of the Secretary of the Treasury with legislative power.

The Rivers and Harbors Act of March 3, 1899, authorized the Secretary of War to determine that certain structures constituted obstructions to navigation and to require their alteration or removal. Failure to comply with the order of the Secretary of War was made a criminal offense. The validity of this statute has been sustained in a number of cases, and convictions for violations of the statute have been affirmed (*Union Bridge Co. v. United States*, 204 U.S. 364; *Hannibal Bridge Co. v. United States*, 221 U.S. 194; *Wisconsin v. Illinois*, 278 U.S. 367, 414).

By the act of February 1, 1905, the Secretary of Agriculture was authorized to make rules and regulations to regulate the occupancy and use of forest reserves and to preserve the forests from destruction. Any violation of the act or of such rules or regulations was made a criminal offense. The Secretary of Agriculture promulgated a regulation prohibiting the grazing of stock in any forest reserve without a permit. The defendants were indicted on a charge of driving and grazing sheep on a forest reserve without a permit. Demurrers to the indictments were sustained and the Government appealed to the Supreme Court. The latter tribunal reversed the judgments, holding that the statute was constitutional and did not comprise any delegation of legislative power to the Secretary of Agriculture (*United States v. Grimaud*, 220 U.S. 506).

The Transportation Act of 1920 authorized the Interstate Commerce Commission, whenever it was of the opinion that an emergency existed requiring immediate action, to suspend its rules as to car service and to make such reasonable rules with regard to it as in its opinion would best promote the service. The act provided that violations of such rules should constitute a criminal offense. On July 25, 1922, the Commission issued an order reciting that, in its opinion, an emergency existed and formulating certain rules in reference to furnishing coal cars to the mines. A conviction for violating this rule was upheld and the constitutionality of the act sustained in *Avent v. United States* (266 U.S. 127). In discussing this point, Mr. Justice Holmes stated that "Congress may make violation of the Commission's rules a crime."

The Tariff Act of September 21, 1922, contained the so-called "flexible provisions" authorizing the President to increase or decrease rates of duty by proclamation in order to equalize them with the difference in costs of production in the United States and the principal competing country. The constitutionality of this provision was challenged as an invalid delegation of legislative power to the Executive. The Supreme Court reached the conclusion that the act was constitutional (*Hampton & Co. v. United States*, 276 U.S. 394).

The Supreme Court has applied the same principles in passing upon the validity of State legislation. Thus, in *Sproles v. Binford* (286 U.S. 374), the Court upheld the validity of a provision of the Texas motor-vehicle act, which prohibited the transportation over State highways of certain overweight or oversized vehicles, but authorizing the highway department to grant special permits for limited periods exempting from its operation equipment that could not be reasonably dismantled.

LIVING COSTS AND SALARIES OF FEDERAL EMPLOYEES

Mr. COSTIGAN. Mr. President, Mr. Luther C. Steward, president, and Miss Gertrude McNally, secretary, of the National Federation of Federal Employees, recently joined,

assisted by other officials and representatives of that organization, in a series of brief radio addresses, beginning January 17 and ending February 1, 1934, in which problems of living costs, including reasons for maintaining salaries of Federal employees at normal and proper levels of subsistence, were discussed. I believe it will be helpful to have these addresses preserved in more permanent form, and I ask that they be printed in the CONGRESSIONAL RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

LUTHER C. STEWARD, PRESIDENT NATIONAL FEDERATION OF FEDERAL EMPLOYEES, JANUARY 17, 1934

The National Federation of Federal Employees is happy to avail itself of the opportunity afforded by the public-spirited sponsor of this program to present to the public over this station the facts in the broad campaign we are waging to bring about the restoration of Federal salaries.

In these 5-minute programs we shall tell the story, the very moving human story, behind the cold facts which make a handful of statistics, a few pages of congressional legislation, and a Roman holiday for those who would "balance the Budget" at the expense of hundreds of thousands of already underpaid and overworked human beings.

In order to understand the whole story we must go back months ago before the so-called "economy legislation" was enacted.

Selfish interests, headed up by such organizations as the United States Chamber of Commerce, the National Manufacturers Association, the National Economy League, and others, early began the most intensive of all propaganda campaigns to shove the burden of the depression from the shoulders of their powerful and influential members onto those of the small wage earners of the Nation, including the Federal employees.

The brunt of the attack was borne by the Federal employees. In a campaign of vilification they were attacked as leeches and drones; the work they were doing was ridiculed; and in addition to wholesale wage cuts, complete emasculation of the Federal service was demanded.

The Budget, they declared, must be balanced, and at the expense of the Government workers and the Federal service, set up to serve the whole people of the country.

The campaign was successful. So-called "economy legislation" was passed. This legislation brought wage cuts, furloughs, reduction of leave, and the loss of other conditions of labor which had been gained only after years of struggle.

The National Federation of Federal Employees emphasized from the outset that national economic recovery could not be brought about by such means. Soon the Federal Government itself gave substantial recognition of that fact in the setting-up of the National Recovery Administration, whose prime purpose is to bring about wage increases and shorter hours of labor.

Thus, the Federal Government now is in the anomalous position of advocating wage increases and shorter hours for other employers and of taking a diametrically opposite position with respect to its own personnel. The Government cuts the wages of its own employees; and then tells private enterprise, and quite correctly so, that recovery cannot be achieved in that manner.

Since their original misguided campaign, some of the special interests have suffered a partial—but by no means complete—change of viewpoint. All of them no longer are so confident that economic balance can be restored by a specious balancing of the Budget by destroying the buying power of hundreds of thousands of men and women throughout the country.

Many legislators, too, have changed their minds. But the economy legislation is still with us. Every consideration of sound economics and justice demands its repeal.

In future programs in this series we shall bring you many facts in support of this contention.

MISS GERTRUDE M. M'NALLY, SECRETARY-TREASURER, NATIONAL FEDERATION OF FEDERAL EMPLOYEES, JANUARY 19, 1934

There are at least three basic reasons why the Federal wage scale should be restored. They are:

The Federal pay cut is exactly contrary to the sound principle of wage increases and shortened hours advocated for private business and industry by the Federal Government through the National Industrial Recovery Act and through the National Recovery Administration.

The Federal pay cut is a rank injustice to the hundreds of thousands of already underpaid men and women who are carrying on the vital duties of the Government.

The Federal pay cut is indefensibly bad from the standpoint of efficient personnel administration.

Time this evening does not permit a full discussion of any one of these reasons. However, during the course of these programs the many phases which logically find a place under these and other important headings will be presented. Tonight, however, I want to discuss a little more fully the question of the Federal pay cut as it refers to the N.R.A.

Wisely, the Federal Government has undertaken the most comprehensive plan in history to bring to the wage earner a fuller measure of the fruits of his own labor.

The Federal Government has said to business and industry:

"The only way out of this depression is to put more persons to work. We must spread employment, reduce hours, and improve purchasing power by raising wages."

That is a program every thinking man and woman in the country can support. It is a sound program. It provides, at least, the principle which must show us out of the worst of all economic crises.

The Federal Government has been supported in its N.R.A. program by the mass of the people. But the large vested interests have opposed it, either openly or under cover. The same interests that campaigned for a so-called "balanced Budget" by the slashing of Federal pay now point to the Government position on pay as a reason why they should not raise the wages of their own workers.

In other words, the Federal Government does not come into court on this issue with clean hands. It cannot say to business, large or small:

"Follow the example of the Federal Government and raise wages so that purchasing power may be increased."

The Federal Government instead of raising wages has crushed the wage scale—in some cases reductions run as high as 50 percent because of furloughs pyramided upon the basic cut.

Thus, in a very definite manner, the Federal Government has been, demonstrably, the largest single handicap to its own sound and constructive program of economic reconstruction.

This fact was impressed upon all unbiased observers during the months which preceded the opening of the present session of Congress. So important did the issue loom that countless individuals, organizations, and Members of Congress made known their reversal of their original stand on the Federal pay question.

But despite these incontrovertible facts, despite the clearly apparent change in public and legislative opinion, the pay cut and its manifold attendant evils still stand.

The National Federation of Federal Employees is continuing its battle for pay restoration now. It is a battle in which the public is vitally concerned. Your support is needed now.

MISS MATILDA LINDSAY, NATIONAL ORGANIZER, NATIONAL FEDERATION OF FEDERAL EMPLOYEES, JANUARY 22, 1934

There is an implied contract in the relationship between the Federal employee and the Government. A great many Federal employees have had opportunities to leave the Federal service and go into private business and industry at a substantially greater rate of pay.

In most cases Federal employees have weighed this increased wage scale against the value of the implied contract with the Government; a contract which gave assurance of permanent occupation, for efficiency, at a meager, but nevertheless fixed, rate of pay.

On the basis of this implied contract, Federal employees have taken over certain obligations. They began the purchase of small homes. They have endeavored to provide life insurance for the protection of their families, for even under normal conditions Government pay is such that the building of an estate for one's dependents is a virtual impossibility by any other means.

These are fixed charges. Other fixed charges are such items as light and fuel costs, transportation costs, and the like.

Although Federal employees have suffered reductions in pay ranging from 15 to 50 percent, rates of interest on mortgages have not declined. Insurance premiums in many instances have actually increased. Transportation, fuel, light, and other charges either have remained stationary or have risen.

Federal employees have been ground between two millstones. The Federal Government has broken its contract, and at the same time the burden of fixed charges, entered into on the basis of that contract agreement, has increased.

Many of my listeners may say that the same thing applies to every person in the community. That is not true, because in the so-called "boom years" Federal salaries lagged far behind the wages paid in private business and industry. A comparison of similar positions in the Government and in private enterprise showed that persons in the latter field were receiving several times—and often much more—the salaries paid to Federal workers.

But, despite this fact, a majority of the civil-service personnel remained in Government employ, bearing in mind their contract which it was felt would not be repudiated.

But that is exactly what has happened. In practical effect Federal employees have been penalized for remaining in the civil service and carrying on the vital functions of Government during the years when far higher salaries on the outside were beckoning most alluringly.

That, of course, is palpably unfair. But the situation does not end by being simply unfair. These Federal employees are still faced by the stark necessity of meeting fixed charges which were soundly and sensibly incurred as good citizens and the heads of families.

Because of the smallness of Federal pay, employees never have had much leeway. Now, with pyramiding pay cuts and furloughs and immovable or increased fixed charges to meet, conditions have become well-nigh unbearable.

The Federal Government has a responsibility here which it cannot evade. It has a responsibility to cease its repudiation of a contract. It has a responsibility to deal fairly with thousands of employees who, on the basis of a stated set of conditions, placed their careers at the disposal of the Government. Beyond that the Government has a responsibility to end a situation which is so

completely out of harmony with the principles it has set up as models for private business and industry.

The time is at hand for the Federal Government to deal fairly and squarely with its own workers. Further delay is indefensible!

HARRY W. JOHNSON, NATIONAL ORGANIZER, NATIONAL FEDERATION OF FEDERAL EMPLOYEES, JANUARY 24, 1934

I am sure that few people realize the full extent or import of the Federal pay cut.

In the first place, it is fallacious to assume that Federal pay has been cut simply by 15 percent. As a matter of fact, pyramiding furloughs in many instances have raised that pay slash as high as 50 percent. In many other cases cuts of 20, 25, and 30 percent have been sustained.

These cuts have been taken by hundreds of thousands of Federal workers throughout the land. In Washington alone 70,000 persons have been affected directly.

But actually more than 70,000 persons in Washington have been affected—far more than 70,000—indeed, the whole city of Washington is suffering from the deep slash in purchasing power.

The Federal Government on the one hand is endeavoring to build up purchasing power, through the National Recovery Administration and through the Public Works Administration and Civil Works Administration. On the other hand it has slashed—and now declares that it wants to continue that reduction—the wages of hundreds of thousands of its own civil-service employees, men and women who have prepared themselves for a career in the Federal service and have qualified for that work by training and experience.

The result is a serious hardship not only upon Federal employees but upon the thousands and, indeed, millions of persons who are dependent upon them. Furthermore, business and industry in every city and town in the Nation, in varying degree, are feeling the effects of the sharp and continuing reduction in purchasing power.

Throughout the period of the depression the meager salaries of Federal employees have been stretched to care for an ever-increasing number of dependents. On every Government pay day lines at the post offices testify to the thousands of workers who are sending money orders to destitute relatives throughout the country.

This money has gone into circulation immediately. The reduction in Federal compensation thus has worked a many-sided hardship. It has curtailed the ability of Federal employees to relieve distress. It has placed many thousands of already underpaid employees themselves in actual need and want. It has had a decidedly deleterious effect upon business throughout the land.

We have an all too graphic picture of the effect of the Federal pay cut upon business right here in Washington.

Although the city has maintained a commendable economic balance, and the business community has given ample proof of its stability, the retarding effect of the wage reduction is not to be questioned.

Business leaders are frank to say that a concerted and aggressive forward movement in local business can come only when the Federal Government falls in line with its own National Recovery Administration principles and restores the pay level. In making such a statement business authorities are not in any sense heretical. They are in no sense lacking in a willingness to aid the administration in its great program of reconstruction. They are simply facing facts, realizing that the purchasing power of 70,000 wage earners in a city of half a million population must be returned to normal if business is to proceed on a thoroughly normal basis.

The Federal Government can render a broad human service and a vitally important economic service by righting the wrong which has been done to the hundreds of thousands of small-salaried men and women who are serving the Government everywhere.

Throughout the depression Federal employees have borne their social responsibilities nobly and well, handicapped as they were first by meager wages and then further hindered by income reductions ranging from 15 to 50 percent.

The Federal Government should remove this restriction and its inevitable subsequent retarding influence upon the whole course of national economic recovery by discarding the unjust and unsound wage cut it has inflicted upon its employees. The sooner such action is taken, the quicker national recovery will be achieved.

ALFRED HARMON, SECRETARY-TREASURER DISTRICT OF COLUMBIA FEDERATION OF FEDERAL EMPLOYEES' UNIONS, JANUARY 26, 1934

I want to speak tonight about the cost of living in the District of Columbia and its relationship to the nearly 80,000 Government workers in Washington.

But I shall not burden you with figures, knowing full well the difficulty of following them as they come in rapid succession over the air. However, you may be certain that the facts which I shall present briefly are based on the Federal Government's own accurate survey.

Put in its simplest possible form, the statement may be made that it costs more to live in Washington than it does elsewhere. Living costs go up here sooner, they come down later; and when they do come down, they fall far less than in almost any other community in continental United States.

Now, we know that there are definite reasons why this should be so. And all of us who know Washington and live in it for the beautiful city that it is recognize these facts.

But it is unfair of the Federal Government to penalize its workers simply because they happened to be stationed at the seat of government.

And it is especially unfair to aggravate that condition by the reduction which has been in effect and which it was planned to keep in effect.

In other words, Federal employees working in Washington always are at a disadvantage in the matter of living costs as compared with Federal workers in most other communities. There is no pay differential in favor of the Federal employees here, although it is proved by the Government's own figures that it always costs more to live here. Thus, with the lesser drop in the cost of living, the pay cut has worked a far more emphatic hardship.

So it is that the Government worker in Washington finds himself, from the practical and not the esthetic standpoint, in an economic plight which is hurtful not only to himself and his family and dependents but to the business community as well.

Federal employees, or at least a great many of them, enjoy living in Washington and deem it a privilege to be here. But as a matter of fact they have found on an increasing scale that it is a privilege which they cannot afford, especially since the pay cut became effective.

Federal employees must face the facts. And the facts are that the Washingtonian pays a premium, as compared with workers elsewhere, on all staple commodities, from rents to potatoes and all up and down the line.

That is a condition which should be taken into consideration. It is a condition which, I am sorry to say, has not been taken into consideration.

Within the past few weeks a new and vitally important factor has been projected into the picture, which will further complicate and aggravate the desperate economic plight of the Federal employee in Washington.

It is the prospect of rapid and sharp increases in commodity prices attendant upon the new monetary policy.

Without desiring or intending to enter into any detailed discussion of the plan which has been sincerely entered into for the sole purpose of furthering the cause of general economic recovery, it must be recognized that Federal workers are at a distinct disadvantage in a program which entails a marked rise in price levels.

Government pay is fixed. It cannot be revised upward from month to month as is possible in private business and industry and as occurs in those fields as business improves and as prices rise.

Federal pay schedules, unfortunately, are inflexible to a high degree; certainly they always have been inflexible where increases are concerned.

It will be remembered that that so-called "economy legislation" called for varying decreases but not for any increases should the price level move forward.

So we see that the Federal employee in the District of Columbia pays a heavy and oftentimes virtually unbearable price for the undoubted privilege of residence here. And that that price, already high, is likely to be even more of a burden as the new monetary policy successfully achieves its purpose.

Economic justice demands that Federal employees not only be returned to their original pay schedules but that provision be made for rates which will enable these workers to live on an American standard as the price level continues to rise.

Certainly that is not asking too much.

It seems to us that every man and woman in the District, whether or not he or she is in the Federal service, can conscientiously support our contention. Will you not lend your active co-operation in this struggle for a square deal?

HENRY G. NOLDA, SECRETARY-TREASURER FEDERAL EMPLOYEES' UNION NO. 2, JANUARY 29, 1934

In previous talks in this series, the broad economic principles involved in the whole Federal pay cut issue have been discussed.

This evening I want to tell you something about the human side of the question. I want to discuss it fairly and frankly, telling you just what the pay cut has meant to thousands of your friends and neighbors.

Federal salaries always have been low, very low. Now, with the pay cuts which range anywhere from 15 to 50 percent, the rank and file of employees of the richest Nation on earth are facing a blank wall.

By that I mean that to thousands of Federal employees our vaunted "American standard of living" is a cruel jest. Thousands of Federal employees are not adequately clothed. Thousands of Federal employees cannot adequately clothe their families. Thousands of Federal employees and their families are not eating properly or sufficiently, because their wages do not permit it. Thousands of Federal employees will leave their families destitute, because they cannot save against the inevitable day of need.

I realize that this is not a pleasant subject. I realize that many of us—and some even in the Federal service itself—do not like to face these facts. There is a tendency to "play them down", to "hush them up", to talk in generalities.

But the time for generalities is past. We must face the facts. The facts are that right here in Washington today there are thousands of Federal employees who cannot make ends meet because their employer pays them starvation wages. That is not a pretty picture, especially when that employer happens to be the Federal Government. But the picture has the unfortunate virtue of being absolutely true to life as it is being lived by great num-

bers of Federal employees in the District of Columbia and elsewhere throughout the land.

Federal employees are not spendthrifts. They do not throw their money about with any more reckless abandon than any other group. They are the heads of families, with dependents who look to them for support either in declining years or to give them the start in life which America proudly declares in the heritage of every child born under the Stars and Stripes.

Federal employees are keenly aware of their social and economic responsibilities, responsibilities which they are carrying with unflinching devotion in the face of almost insuperable obstacles.

We can see what the Federal pay cut really means only when we study individual cases. It is with no sense of pride in any respect that I say that I have ample opportunity to study hundreds of cases and to see daily the hardships which are being endured by loyal and faithful workers who are being penalized unjustly and unfairly.

Under present conditions, with pyramiding pay cuts and rising living costs, it is impossible for thousands of Federal employees to do more than barely keep body and soul together. Living has been reduced to the barest necessities. For many, to whom cultural opportunities have been closed because of lack of funds, life has lost its savor and its zest.

President Roosevelt has said, with characteristic breadth and vision, that life must offer more than simply the satisfaction of the rudimentary wants of food and shelter and warmth.

It is truthfulness, it must be said, that this, and only this, is possible to thousands of men and women who toil night and day in the far-flung services of the Federal Government. And in many cases food and shelter and warmth are to be had only when starvation wages are buttressed by pittance borrowed at exorbitant rates of interest, or by meager savings which had been laid by at the sacrifice of those little luxuries that help to make life worth while.

I am convinced that the American people will not wish longer to countenance these conditions. I believe that the average American citizen wants his Government to pay its employees on a basis more nearly in keeping with the American standard of living, although the Federal pay level never actually has reached that standard.

It is not in the nature of the people of our Nation to indulge in sweatshop tactics, to pay as little as possible for an extreme maximum of service.

Yet that is the policy which the Federal Government is following. That is the policy which has forced hundreds of thousands of American citizens, trained, efficient, loyal, and faithful workers, into an economic morass which is unbelievable to all except those who really know the facts.

The National Federation of Federal Employees knows these facts. It is presenting them in the hope that a knowledge of them will help to right the great injustice which has been done.

This is the responsibility not of a small group but of all citizens. Every American should do his part to make "the American standard" a reality!

DR. J. FRANKLIN MEYER, PRESIDENT FEDERAL EMPLOYEES' UNION NO. 260,
JANUARY 31, 1934

The Federal pay cut has had a very serious effect upon the scientific services of the Federal Government.

Furthermore, the effect which current conditions will have upon the future of those services is equally as important and presents a question in which every American citizen has a vital concern.

I fear that the words "Government scientist" have rather a strange connotation for a great many of our people. Particularly since the recent campaign of vilification by such organizations as the United States Chamber of Commerce, National Economy League, National Manufacturers' Association, and others, many people have tended to look upon the Government scientist as a caricature. He is pictured as long-bearded and vacant-eyed ancient who patters aimlessly about an incredible laboratory, wasting the taxpayers' money in idle alchemy.

Such a picture is not only an untruth but a dangerous untruth. In reality, the scientific branches of the Federal Government are rendering a tremendous service to the whole people. They are protecting our lives and our homes; they are setting up safeguards against disease; they are teaching business and industry new methods; they are showing the farmer and the city dweller how to save in new and important ways; they are establishing standards which are an essential to the progress of our civilization.

I regret that I have not sufficient time at my disposal to do more than to indicate the tremendous range of the Federal scientific services and their importance to every man, woman, and child in the Nation.

Trained, experienced, highly skilled scientists are laboring in Washington and in the field at shamefully low wages to maintain the scientific progress and integrity of our Government. Always poorly paid, with the wage cuts these men and women now are working for salaries which are but a scant fraction of those paid in the outside world for similar services. At great personal sacrifice, scores of Government scientists have remained at their posts for years. Their reward, I am sorry to say, has been only in the satisfaction of a job well done, for the Government's own reward to them has simply been to reduce their already indefensibly low salaries.

The scientific services of the Federal Government, and I am referring now to every branch, have a record of which they may be justly proud. In attacking that record and in vilifying the per-

sonnel, selfish special interests have demanded themselves beyond description.

To serve the Federal Government, scientists have spurned wealth and glory. And in many cases they have laid down their lives in an unselfish devotion to duty.

From the work of these men and women the whole Nation derives practical profit.

The Government scientist adds to the Nation's prosperity, increases its life expectancy, adds substantially to all of those tangible and intangible factors that help to make life worth living.

An inevitable effect of the Federal pay cut will be increasing difficulty in maintaining intact the personnel of the scientific services. The longer the pay cut is in effect, the more difficult that task will become.

Many great scientists have joined the Federal staff because of the supposed assurance of a continuity of effort and a wage at least sufficient to purchase the necessities of life. They have given up opportunities to earn large sums elsewhere in return for the different but definite opportunities afforded in the public service.

But now the Federal Government has broken its contract, and it proposes to keep on in that way.

The result must be, unless remedial action is taken quickly, to make the Federal scientific service far less attractive in the future.

In other words, it will not be possible for the Federal Government to command the services of scientists as it has done in the past. These men and women will examine the Government's record as an employer and say that they cannot do else but refuse to make a sacrifice so heavy.

None of us, and least of all the scientists themselves, want such a condition to come to pass. But come to pass it must, unless the Federal Government decides to follow the principles it is advocating for private business and industry and becomes a constructive employer and puts into practice a sound program of personnel administration.

The scientific branches of our Government serve the whole Nation. Every citizen has a deep and abiding interest in their welfare and in the responsibility of bringing about conditions which will enable them to continue and to be of greater service in the future.

MISS GERTRUDE M. M'NALLY, SECRETARY-TREASURER NATIONAL FEDERATION OF FEDERAL EMPLOYEES, FEBRUARY 1, 1934

It has become increasingly clear to the public generally that the Federal pay cut is wrong economically and that it is unfair and unjust. That viewpoint certainly has gained ground throughout the country. Of the utmost importance, many Members of Congress have reached that conviction.

But despite this change in attitude, there still are persons who speak in effect like this: "I don't see why the pay of Federal employees should be restored. They don't do anything, anyway."

Now we might just as well look the facts in the face. There are a great many people who really believe Federal employees are leeches and drones who do nothing but draw their pay. The work they do, in the opinion of these persons, is of little value and importance, and in any event constitutes no real task.

This view has been fostered very largely by selfish special interests who have sought to further their own ends by bringing the Federal service into disrepute.

Never before has there been afforded such a complete refutation of so baseless a contention as has been revealed to the world within the past year.

Upon the shoulders of the Federal Government—and in the final analysis that means upon the shoulders of the men and women in the service—has been thrown the tremendous responsibility of carrying out a broad program of economic recovery. It must be understood that this is not a responsibility of the emergency agencies alone. Every permanent establishment of the Government is playing a great part in this effort.

But this emergency program is just one phase of the story of the Federal employee's work.

The man or woman who says, either in earnest or in jest, that "Federal employees don't do anything, anyway", is simply giving clear evidence of a complete lack of understanding of the functions of government.

Federal employees aid and safeguard every aspect of life.

Federal employees deliver the mail.

Federal employees inspect livestock and dairies for the health protection of the public.

Federal employees live at lonely lighthouses to make shipping safe.

Federal employees make the primary charts and maps essential in so many fields.

Federal employees are engaged in a host of vital scientific projects.

I wish sincerely that I had the time here to name the many ways in which Federal employees bring order and progress and happiness into all of our lives. And the details of their work, which often is hazardous in the extreme, make a fascinating story.

Tonight I can do little more than to indicate the wide variety of services rendered efficiently, faithfully, and loyally by Federal employees, and to emphasize the falsity of the belief that these services are without great public value.

Only recently, in a public address, Dr. Lewis Meriam, distinguished authority of the Brookings Institution, reaffirmed the fact that "Government has been called upon to bail out the sinking ship of private industry." He declared that it is upon employees

of the classified civil service that chief reliance must be laid for the success of the recovery plans. And Dr. Meriam was outspoken in asserting the dollars and cents value of the service rendered by the permanent Federal establishment.

Dr. Meriam is but one of many leaders who have come to the front to give the lie to the interests who would willingly sacrifice these services for selfish reasons.

If we accept the fact that the Federal Government, as a modern, civilized, central authority, should provide protective and other services essential in this day and age, we also must agree that the personnel is entitled to a living wage.

Always meager, Federal salaries now, under the weight of pay cuts and furloughs, have been crushed to subsistence levels, and in many instances below that.

For the good not only of the employees themselves, but in the best interests of our national economy, that situation should be corrected.

MISS BELLE A. TROULAND, PRESIDENT FEDERAL EMPLOYEES' UNION NO. 105, FEBRUARY 2, 1934

The advent of women into the Federal service parallels to a striking degree the struggle of women to liberate themselves from the shackles of second-class citizenship.

It was with real misgiving that women were admitted into the Federal service during the last century. Aside from all else, serious doubt was expressed of their efficiency and ability.

As time went on, women proved amply their right to serve the Federal Government. They demonstrated in countless phases of the Government's activities that their loyalty and faithfulness and patriotism were equaled by their honesty and efficiency.

Today we may look back with very real pride upon the record which women have established in the Federal service.

At all times, in all places, under all conditions, they have acquitted themselves splendidly.

Today they have earned the right to the vital place they occupy in the Federal service. It is a place which they occupy not for sentimental reasons, but because they have proved their value and capacity.

The Federal pay cut has rested heavily upon the shoulders of these women, who rightly have assumed responsibilities in keeping with their services to the Federal Government.

Never paid in accordance with the vital character of the work done, these employees are suffering the most severe hardships. In many instances they are the sole support of families. I venture to say that there is not a woman in the Federal service today who is not contributing a substantial part of her usually meager income to the support of persons who, through no fault of their own, cannot earn a livelihood.

I do not wish to go into the heart-breaking details of the numberless cases of this nature which have been brought to my attention. I do, however, want all of those within the sound of my voice to believe me when I say that the situation brought about as a result of the pay cut is bitterly and shamefully acute.

While an increasing number of notable women are occupying high places in the Government, it is a fact, of course, that the greatest number of women are in the low-pay groups. To them the pay cuts and the furloughs—which simply mean more pay cuts—have reduced the salary scale to bare subsistence levels. In many instances Federal wages are not enough to keep body and soul together.

Every real American is quick to anger at the unjust working conditions under which so many women have labored in the past.

We all have agreed that this country will no longer tolerate such conditions, whether they affect men or women.

Every thoughtful citizen has applauded the efforts of the Federal Government to improve conditions of employment. But how many citizens are aware that the Federal Government itself is not yet in the vanguard?

How many citizens know that the Federal Government has crushed the wage scale to the lowest possible level, has speeded up its operations to the breaking point, and has refused to set a standard of employment that could serve as a model for the rest of the country?

How many persons in the outside world realize the full and somber meaning of the Federal pay cut to the thousands of men and women, your neighbors and mine, who are working bravely and unselfishly for a great common cause?

The women in the Federal service ask for no special consideration. They want no unusual favors.

They, along with their fellow citizens in the Federal service, ask only for simple justice.

That is being denied to them so long as pay cuts remain to shadow their lives and the lives of their loved ones.

PURCHASING POWER OF GOVERNMENT EMPLOYEES

Mr. SCHALL. Mr. President, in his recent message to the N.R.A. code authorities, President Roosevelt clearly states the urgent need of putting purchasing power into the hands of labor and the consumer. It is, therefore, inconceivable to me how the leaders in this body can say, as they have said, that the administration is against the McCarran amendment to restore purchasing power to Government employees. It seems to me that Congress is digressing from the logical and proper path in following its leadership, and that it should follow the suggestion of the President to provide

such purchasing power as it can for the American people. Thus only is it following the wish of the administration unless the administration is adopting a course of being "all things to all men."

I ask leave to insert in the RECORD an editorial from the Washington Times for March 8, 1934.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Mar. 8, 1934]

FALSE LEADERS TAKE HOUSE INTO PAY-CUT DETOUR

"Every examination I make and all the information I receive lead me to the inescapable conclusion that we must now consider immediate cooperation to secure increase in wages and shortening of hours." (President Roosevelt.)

Congress cannot sidestep the clear-cut duty imposed upon it by the Government program in regard to private industry.

That duty compels immediate and complete restoration of the salaries of the hundreds of thousands of men and women who carry on the functions of the Federal service.

The evasion and equivocation which the McCarran salary-restoration amendment to the independent offices appropriation bill is meeting in the House indicate clearly that someone in high authority in that body is out of line with the Government's recovery policy.

The dodging and ducking which some Members of that body are executing seem to be designed to give succor and encouragement to those backward private employers who are resisting the efforts of the Government to put the working man back into the buying market.

Everyone knows that there are some few private employers to whom the recent address of the President on "purchasing wages" is just a lot of words.

Everyone knows that there are some few private employers who are determined to hold back recovery to the extent that that recovery includes the expenditure of money for decent wages.

And the conclusion is inescapable that those recalcitrant or reluctant employers are finding just the excuse that they need in the recalcitrancy and reluctance of Members of Congress to deal promptly and with enlightenment with the Federal pay-restoration amendment.

Every day that the House continues its game of "committee, committee, who has the bill" it is inviting noncompliance by industry with the President's program.

With amazing effrontery the very men who are delaying the enactment of this essential recovery measure pretend to be the champions of the general reconstruction program.

If they really have the interest of that program at heart, they will abandon their dilatory maneuvers and get behind the McCarran amendment.

All of their arguments against the restoration have been knocked into a cocked hat by the Presidential address to the N.R.A. code authorities.

That address clearly pointed the only way we can travel toward recovery—that way is labeled by the leader "increase of the consumer's purchasing power."

Those who would guide us by another way would lead us into pitfalls and ditches.

Those Members of the House who are in doubt as to the position they should take when given an opportunity to vote on the McCarran amendment should beware of these false leaders.

Right now those false leaders have led the House into a detour. They have sidetracked the measure which would send the Government along the pathway it is urging upon its citizens.

But that detour cannot last forever. Eventually the McCarran amendment will come out of the detour and reach the floor of the House.

Then will the Membership of that body have an opportunity to stand and be counted.

By that vote the American people will be able to determine which of their representatives want to abandon the Government program and which are willing to give it the support which it deserves.

INCLUSION OF CATTLE AS A BASIC COMMODITY

The Senate resumed the consideration of the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. McNARY. Mr. President—

The VICE PRESIDENT (putting the question). The ayes seem to have it; the ayes have it, and the amendment is—

Mr. McNARY. Mr. President—

The VICE PRESIDENT. The Senator from Oregon.

Mr. McNARY. I was attempting to attract the attention of the Chair before the decision of the Chair had been announced. This measure was argued at length yesterday, except as to the proposal now submitted by the Senator from

Virginia. Personally, I should like to hear some further debate upon the pending amendment. I ask unanimous consent that the vote by which the amendment was adopted may be reconsidered.

The VICE PRESIDENT. The Chair has not declared that the amendment was adopted. The Chair was perhaps a little fast. The Chair understood the amendment was agreeable to the Senator in charge of the bill and that probably, like other amendments, it would be agreed to without discussion. The Chair now holds that the amendment has not been adopted.

Mr. McNARY. I fully appreciate the courtesy of the Chair. I thought the pending amendment, however, was the amendment offered by the Senator from Texas [Mr. CONNALLY].

The VICE PRESIDENT. The amendment of the Senator from Texas was agreed to yesterday. The amendment now pending is the amendment offered by the Senator from Virginia [Mr. BYRD] to include peanuts as a basic commodity.

Mr. McNARY. I have not seen the amendment of the Senator from Virginia. I have not heard it read. I do not know what reason may exist for the inclusion of peanuts as a basic commodity.

The Senator from Texas [Mr. CONNALLY] made a very interesting statement yesterday and argued at length the reasons why he believed cattle should be included as a basic commodity. I should like to have some discussion by the Senator from Virginia setting forth the reasons why he wants peanuts included as a basic commodity, the amount of money he expects will be necessary before the bill becomes operative as to peanuts, and some reason therefor. I desire that he shall go into the matter logically and thoroughly, and let the merits of the question, if any it has, be presented. I am sure the Senator from Virginia will realize the situation and conform to the suggestion I have made.

Mr. BYRD. Mr. President, the amendment carries no appropriation. It simply provides that peanuts shall be included under the Agricultural Adjustment Act as one of the basic commodities. The amendment was considered by the Committee on Agriculture and Forestry of the Senate and has the unanimous endorsement of that committee. It likewise has the approval of the Secretary of Agriculture, Mr. Wallace. I ask that a letter which Mr. Wallace has written to me giving his approval of the amendment may be inserted in the Record as a part of my remarks.

Before that is done, however, let me say that so far as I am advised the peanut growers of Virginia and of the South are unanimously in favor of having peanuts included under the Agricultural Adjustment Act as a basic commodity. The main reason for that is that under the Agricultural Adjustment Act plans are now in operation for the purpose of reducing the acreage that is planted to cotton and tobacco. The fear is expressed that this acreage will be planted to peanuts and therefore peanut growers of Virginia and the South are anxious to come under the Agricultural Adjustment Act on the same basis as other commodities, without asking for any appropriation whatever, so as to avoid having planted to peanuts the land that has been taken out of cotton and tobacco.

If the Senator from Oregon has any further questions, I shall be glad to answer them.

Mr. McNARY. Mr. President, it has been exceedingly difficult, because of the noise and confusion in the Chamber, to hear anything the Senator from Virginia has said. Does the Senator contemplate any addition to the funds now provided?

Mr. BYRD. No appropriation whatever is asked for, I will say to the Senator. The amendment simply proposes to make peanuts one of the basic commodities together with the other commodities covered by the act, and carries no appropriation of any character.

Mr. McNARY. Does the Senator contemplate by his amendment that money derived by the growers shall come from the processing tax alone?

Mr. BYRD. That is true. If it comes from any source it will come from the processing tax.

Mr. GEORGE. Mr. President, with the permission of the Senator from Virginia—

Mr. BYRD. I yield.

Mr. GEORGE. Let me say to the Senator from Oregon that even the levying of a processing tax would not necessarily follow in this particular instance if the bill were amended as now proposed. The real difficulty is in the transfer or shifting of the large number of acres that have been taken out of the production of other basic commodities and that land being planted to peanuts. That makes a complicated condition and threatens the industry. That is the primary reason for the amendment at this time.

Mr. McNARY. I desire to ask the Senator from Virginia if his amendment has ever been referred to a committee having general jurisdiction of the subject matter, or has it been referred to the Secretary of Agriculture or to the A.A.A. for an opinion?

Mr. BYRD. Mr. President, the Senator from Oregon evidently did not hear what I said. The amendment has been considered by the Committee on Agriculture and Forestry of the Senate. It has the unanimous approval of the Committee on Agriculture and Forestry. It has the approval of the Secretary of Agriculture, and I have sent his letter to the desk and shall ask that it be inserted in the Record.

Mr. McNARY. Has the letter been presented?

Mr. BYRD. The letter is on the clerk's desk, and if the Senator cares to have it read I shall be pleased to have that done.

The VICE PRESIDENT. The clerk will read the letter, as requested.

Mr. KING. Mr. President, before that is done, does not the Senator expect, if his amendment shall be adopted, that there will be, as a necessary corollary to it, additional legislation asked for and obtained—first, an appropriation for the enforcement of the law; and, secondly, a processing tax, or, at any rate, some other legislation that will give a little more effectiveness and vitality to his amendment? It certainly cannot be just a mere declaration, left suspended in the air in that way, that peanuts are to become a basic agricultural commodity. There will have to be some dynamic force behind it; though, of course, the Secretary of Agriculture, with his vast army of employees, has great dynamic force in that way.

Mr. BYRD. The amendment merely provides that peanuts shall become a basic commodity on an equality with other basic commodities included in the act. Whether or not there will be a processing tax I cannot say. The main purpose of the amendment is to prevent the land that is now being taken out of cotton and tobacco being planted to peanuts, because the character of land that is suitable for those products is suitable for peanuts. The main purpose is to bring about an arrangement whereby there shall not be an increase in the acreage planted to peanuts.

Mr. GEORGE. Mr. President, may I say that under the Agricultural Adjustment Act, unless peanuts are declared to be a basic commodity, the power does not exist to control the shifting to the planting of peanuts of the acreage taken from cotton and tobacco.

Mr. BYRD. The Senator is entirely correct.

The VICE PRESIDENT. Without objection, the clerk will read the letter of the Secretary of Agriculture, as requested.

The Chief Clerk read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 12, 1934.

HON. HARRY F. BYRD,
United States Senate.

DEAR SENATOR BYRD: This will acknowledge your letter of February 3 with reference to the question of including peanuts as a basic commodity in the Agricultural Adjustment Act.

As you know, we have in operation at the present time a marketing agreement for peanut millers under the management of a control board consisting of 5 peanut growers and 5 peanut millers. This board met in Washington on February 5 of this week, and passed a resolution requesting that peanuts be designated as a basic commodity in order that the Agricultural Adjustment Administration may have broad powers in dealing with the problem of controlling peanut production in 1934.

In view of the rather large areas suitable for peanut production, and in view of the reduction in cotton and tobacco acreage now being effected in the present peanut-producing areas,

we recognize that it will be necessary to take definite steps to discourage undue expansion in peanut acreage in 1934. We believe also that the designation of peanuts as a basic agricultural commodity will give the Agricultural Adjustment Administration more latitude in dealing adequately with this problem.

If you feel, therefore, that the peanut producers are prepared to support a program of production control, I can assure you that the Agricultural Adjustment Administration will make every effort to utilize its facilities in the administration of a program designed to control peanut production and improve the income of peanut producers.

Sincerely,

H. A. WALLACE, *Secretary*.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Idaho?

Mr. BYRD. I do.

Mr. BORAH. As I understand the reading of the Secretary's letter, if this amendment should go in the bill it would give the Agricultural Department absolute power to determine whether or not any particular land left vacant by reason of reduction of cotton production should be permitted to be devoted to raising peanuts.

Mr. BYRD. The Senator, I think, is mistaken. The amendment simply gives to the Secretary of Agriculture the same control with respect to peanuts that he has with respect to any other basic commodity under the Agricultural Adjustment Act.

Mr. BORAH. As I understand, the theory of that is that, owing to the fact that there is going to be a reduction of cotton acreage, the acreage might be planted to peanuts; and the Senator, by his amendment, is seeking to give to the Secretary of Agriculture power to say that that may not be done.

Mr. BYRD. That is only to be done through agreement with the growers and by compensation to them. It is not an arbitrary power.

Mr. BORAH. We are not lodging in him yet the power to say that a man shall not raise a certain crop without the Secretary's consent? I am greatly relieved to know that is not true.

Mr. BYRD. This amendment does not increase the power of the Secretary of Agriculture.

Mr. HASTINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Delaware?

Mr. BYRD. I do.

Mr. HASTINGS. Has the Senator any idea what the processing tax upon peanuts will be?

Mr. BYRD. I have no idea.

Mr. HASTINGS. Then the Senator has not any idea how many less nuts we will get for 5 cents than we now get? [Laughter.]

Mr. BYRD. I will say to the Senator that regardless of how many less nuts we get, I will present him with a bag of the finest peanuts in the world.

Mr. NEELY. Mr. President, let us hope that we shall not get any more nuts in the Senate. [Laughter.]

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia.

Mr. NORRIS. Mr. President, I may have an entirely erroneous idea, but I have been laboring under the impression that when any agricultural product is defined in the law as a basic product, it necessarily follows that a processing tax should be levied upon that product.

There are a great many people who want to have different commodities classified under the law as basic agricultural products, but who are opposed to having any processing tax levied on those particular products.

Cattlemen throughout the West are telegraphing to their Senators—I have seen several of the telegrams, and have received several of them—that the cattlemen in a certain community are in favor of having cattle named in the law as a basic product, but they are opposed to the levying of any processing tax upon cattle.

As I say, I may be wrong; but it seems to me that if a commodity is defined in the law as it now stands as a basic agricultural product, it follows as a matter of law that a processing tax can be levied upon that particular product.

Otherwise, we would have two kinds of basic agricultural products: One would be a basic agricultural product upon which a processing tax could be levied, and the other would be a basic agricultural product upon which a processing tax could not be levied.

If that be true, then I presume every Senator who represents a district where some of these basic products are produced would want to have taken away the power under the law to levy a processing tax upon those particular products. It strikes me that it would be very unfair to have two basic agricultural products named, and provide by law that a processing tax should be levied on one and not on the other, if my impression is correct that when a product is added to the list of basic agricultural products it necessarily follows that a processing tax can be and probably will be levied upon that particular product.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. The Senator is correct to the extent that if any benefit payments are made to an industry, then of course the processing tax is imposed; but if the Secretary does not pay benefits, but merely arranges marketing agreements, or something of that kind, a processing tax would not necessarily be required. They would all be treated in the same way, however.

Mr. NORRIS. Could not the Secretary, under the law as it now stands, make agreements of that kind whether there was a processing tax or not?

Mr. CONNALLY. Voluntary agreements will be worked out with the industry. They will not necessarily involve the payment of benefits. If any benefits are paid to the producers, the processing tax must be levied; and that necessarily follows.

Mr. NORRIS. What benefit can come to the owners of any particular product if we do not levy a processing tax upon the product? I had understood that the power to levy a processing tax necessarily followed if a given product were put on the list and made by law a basic commodity.

Mr. BAILEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I do.

Mr. BAILEY. As I understand the present law, the whole purpose of the Agricultural Adjustment Act, and especially the processing tax, was to restore what we call parity prices as of 1909-14. All that this amendment does is to place peanuts in the same category with the other agricultural products named in the bill, and of course with a view to restoring parity prices, so far as the Agricultural Adjustment Administration can do so, by means of an appropriate processing tax on peanuts.

Mr. NORRIS. All right. If we assume that power, the Senator has a processing tax, then, on peanuts.

Mr. BAILEY. Now let us take the facts. If the Secretary undertakes to operate with a view to restoring the parity price, as I understand the law, the tax is imposed upon the processing of peanuts for the express purpose of restoring the parity price.

Mr. NORRIS. I understand that.

Mr. BAILEY. And it can be done in two ways: One by way of benefit payments to induce a curtailment of the crop; the other by way of curtailing the crop and reducing the supply, and therefore increasing the price. That, as I understand, is the philosophy of the Agricultural Adjustment Act.

Mr. NORRIS. Mr. President, I am a member of the committee to which the original bill was referred. I remember that this question of what we should put in was the subject of debate and discussion and consideration that lasted for 2 or 3 weeks, most of the time in executive session, on the part of a committee that were conscientiously and honestly trying to meet the problem; and the question as to what should be included as basic agricultural products was one of the most important questions that came up for consideration.

There was a division in the committee as to what we should put in. There was a time, as I remember, during our consideration of the bill, when almost every agricultural

product known was included as one of the basic agricultural commodities, until it became apparent, I think, to every member of the committee that we had overloaded the bill. I was one of the minority of that committee, which included, I believe, the then chairman of the committee, which believed in the beginning, and believed when we finished, that the agricultural commodities that should be listed under the law as basic commodities, and therefore be subject to the processing tax, should be limited to two products. One was wheat, and the other was cotton. They covered in their scope practically the entire country.

The legislation was experimental. We had never had anything like it before, and there were various opinions as to how it would work. Nobody knew positively, no matter how definite his ideas might be. I think all would have to admit that, after a full discussion, there was not a member of the committee who could definitely satisfy his own mind as to just how the processing tax was going to work. In the committee I voted to confine the commodities to two, namely, wheat and cotton, of both of which we produced a surplus, both of which were commodities permanent in their nature, so that they were different from hogs or cattle, or anything that would have to be handled within a limited time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. I have been receiving a number of letters, particularly from cotton producers, and I wondered whether the committee had taken into consideration this kind of a problem. In these letters the correspondents tell me that as a result of reducing these crops a great many share tenants have simply been thrown out, and a good many of the laborers and hands on the farms, having nothing at all to plant, have therefore been discharged.

Mr. NORRIS. I have not received any such communications that I remember. What the Senator says may be the situation; I am not disputing it. However, I do not know just why that should follow.

Mr. LONG. These correspondents state that a planter, say, is raising a thousand acres of cotton; his farm is cut down, let us assume, to six or seven hundred acres, and there will therefore be 300 acres he will not plant. So the particular share tenant of that particular part of the crop, or the hands needed for that particular part of the crop, instead of having anything done for them, just naturally must be laid off. Is there any way in which that can be corrected or taken care of in this measure?

Mr. BORAH. Secretary Wallace says in his article, I remember, that it may be necessary to transport them north.

Mr. NORRIS. Mr. President, let me give my idea of the situation presented by the Senator from Louisiana. I should say that if a crop is limited it matters not what it may be—and a processing tax contemplates a limitation of the acreage—the loss to the farmer of that acreage has to be paid for out of the processing tax. That is the theory of it. But whenever that is done, whenever acreage is reduced, no matter what it may be, it necessarily follows that there is less employment, that there is a reduction, although there are provisions in the measure about taking care of other crops which will be substituted for the ones which are basic commodities in order to relieve the situation which might arise by virtue of substitutes being produced in lieu of commodities upon which a processing tax was levied, the idea being at the time that the processing tax would somewhat increase the price to the consumer.

When the original law was under consideration by the committee, I think without exception every member of the committee had the idea that the cost to the consumer would be increased on account of the processing tax. Up to date it has not worked that way in all cases. In the case of hogs it has seemed to me that the processing tax has been a failure. Instead of the consumer paying it, it has been taken out of the farmer, and his price has been reduced.

I noticed a statement made in a recent hearing, at which I was not present, by Mr. Davis, for whom I have the very highest regard and whose ability, I think, is unquestioned. I would be inclined to follow him if I were in doubt. He recently testified that while they were disappointed with the processing tax on hogs, he was satisfied that the time was just here now when the processing tax on hogs was going to be felt, and that the farmer was going to get the benefit of it. I do not know whether it will turn out that way or not. If it does not, as the Senator representing a great many farmers whose chief production is hogs, I would be very much inclined to vote to take off the processing tax on hogs.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment.

Therefore, it seems to me that if we are going to divide the tax, have some commodities not subject to the processing tax and some subject to the processing tax, I should like to have some of the processing taxes, which already exist, taken off.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment.

I received a telegram from some cattlemen who said, in substance, that some organization had met and they had passed a resolution unanimously in which they stated:

We want cattle included as a basic commodity, but we do not want anybody to have the power to levy a processing tax on cattle.

With due regard to those gentlemen, it seemed to me that it would be a good deal like saying to a man, "I want you to go swimming today, but I do not want you to get wet." It seems to me that the processing tax logically follows the inclusion of a product as a basic commodity. If I am wrong about that, why not do away with the entire processing tax and put everything in as a basic commodity? It seems to me that if we did that we would be just where we were when we started, that we would not have done any good.

I know that some Senators contemplate offering an amendment to the bill to put in oats as a basic commodity. An amendment will be offered to put in rye as a basic commodity. An amendment will be offered to put in flax as a basic commodity. Probably one will be offered to put in potatoes as a basic commodity, and so on. If we start to putting in these other articles, why should we exclude some of the producers of which want them put in and nominated in the law as basic commodities?

Now I yield to the Senator from Texas.

Mr. CONNALLY. Mr. President, let me say to the Senator from Nebraska that the Senator from Texas does not favor the exemption of cattle from the processing tax. He said yesterday he would not stand on this floor and advocate a bounty to one industry which other industries did not get. I want to set myself clear with the Senator in that respect. If cattle are included as a basic commodity, the cattle industry will have to bear a processing tax, just like every other industry.

Mr. NORRIS. I think it should.

Mr. CONNALLY. That is right and that is just. I am not contending otherwise. In the matter of hogs—

Mr. BORAH. Mr. President, does the Senator say that if cattle go into the bill a processing tax is to be laid?

Mr. CONNALLY. Not necessarily. I want to read the law to the Senator.

Mr. BORAH. I know; but the Senator has framed this measure, and he says he does not want cattle in unless there is a processing tax, that he would not advocate a bounty. As I understood the Senator yesterday, he said that he desired to leave it entirely discretionary with the Secretary.

Mr. CONNALLY. Oh, no.

Mr. BORAH. Then I misunderstood the Senator.

Mr. CONNALLY. If the Senator will look at the Record, he will see that the Senator from Texas did not intend to convey any such impression. The Senator from Texas said that the Secretary might administer the other portions of the bill, about marketing agreements, and might determine

that it was not necessary to levy a processing tax because no benefits would be paid directly to the industry. Here is the law, section 9 of the original Adjustment Act. I quote:

When the Secretary of Agriculture determines that rental or benefit payments are to be made with respect to any basic agricultural commodity, he shall proclaim such determination, and a processing tax shall be in effect with respect to such commodity from the beginning of the marketing year therefor next following the date of such proclamation.

The Senator from Texas said yesterday, and he now repeats, that if under that act the Secretary determines to make benefit payments to any industry, then he has to levy a processing tax. If he works out a program which does not involve the payment of benefits or rentals—a program, say, of marketing agreements which do not involve the payment of money out of the Treasury—then, of course, he does not have to levy a processing tax.

Mr. NORRIS. I think that is a fair statement of the law. I want the Senator from Texas to understand that I am not finding fault with him or with any other Senator, but there is a great question whether it is a benefit or otherwise to have a commodity subject to the processing tax. I do contend that no producer of a commodity has the right to ask to have it included as a basic commodity unless he is willing and unless he understands in advance that a processing tax may be levied against that particular product. It cannot be levied against the product unless it is named as a basic commodity. So, whenever we put a commodity in that class, we make it subject as a matter of law to the processing tax, and I do not see how anybody can ask for an exception.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. I was interested in trying to find out how this tax could do the farmer any good, and I should like to ask the Senator whether he agrees with the conclusion that the levying of the processing tax will make the article upon which it is levied cost more to the consumer. Is that correct?

Mr. NORRIS. That was the theory. I do not know whether it is going to work out that way. It has not worked out that way with respect to hogs.

Mr. TYDINGS. If it shall not work out in that way, the consumer will pay more.

Mr. NORRIS. Yes.

Mr. TYDINGS. If it shall not work out in that way, the farmer will get less.

Mr. NORRIS. Yes.

Mr. TYDINGS. Assuming that it works out so that the farmer gets less, then it has not done what it was set up to do.

Mr. NORRIS. That is absolutely true.

Mr. TYDINGS. If it shall work out so that the consumer pays more, with 8,000,000 or 10,000,000 or 12,000,000 people out of employment all over the country, will not the result be that we will cut down the consumption in the exact proportion that we increase the cost to the consumer?

Mr. NORRIS. The Senator from Maryland has stated a proposition that is logical, but it is not logical to the extent to which he applies it.

Mr. LONG. Mr. President—

Mr. NORRIS. Permit me to finish, Mr. President. There will be a tendency to decrease consumption. I think every honest man who has studied the question must admit the truth of that statement, for when we raise the price we necessarily decrease consumption. That question was presented and discussed up and down before the committee and by the committee. The object of the legislation, however, was to help the farmer; to enable the farmer to get an increased price for his products. We were all in earnest in that endeavor. I think all those behind the movement, the administration and the committee, were conscientious in that endeavor. It was realized, however, that if the farmer should get a higher price the consumer would have to pay a higher price.

Mr. TYDINGS. Certainly.

Mr. NORRIS. But it was felt by all that under no circumstances should the consumer ever demand that the pro-

ducer produce at a financial loss to himself that which the consumer used as food. That is the theory of the legislation.

Mr. TYDINGS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Maryland?

Mr. NORRIS. I yield.

Mr. TYDINGS. I am more in agreement with the Senator's observation that the farmer will receive less money for his commodities with the processing tax rather than more. I agree with the Senator's first conclusion that had the price been raised, theoretically, at least, it would have cut down consumption; but in the application of the law the tax is imposed at the source, upon the producer of the manufactured product; and if imposed there, in my opinion it will do nothing more or less than cause the farmer to get less for his product with the tax on it than he would have gotten without the tax.

Mr. NORRIS. No; that was not the intention.

Mr. MURPHY. Mr. President—

Mr. NORRIS. Just a moment, Mr. President. The theory was that the processing tax should be paid by the manufacturer; that he would pass it on to the consumer; that the farmer would get the benefit of it. It has worked, in the case of hogs, so that instead of that being done, the processing tax has been taken out of the farmer in a reduction of the price he has received.

That was well shown here yesterday when the Senator from Idaho, I think, read a letter from one of the packers who frankly said that they were paying less than they did before. I should not want to continue with that kind of a processing tax if I thought there was no better hope for the future; and I have only the hope of Chester Davis, one of the experts working out this problem, who says in his testimony, in substance, that when the processing tax is first applied it will for a time reduce the price received by the producer, but that in time—and he thinks that time has now arrived, for there is a slight increase in the price of hogs—the farmer will get the benefit of it.

Mr. MURPHY and Mr. TYDINGS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Iowa, who has been seeking for some time to interrupt me.

Mr. MURPHY. Mr. President, having reference to the conclusion stated by the Senator from Maryland that a price decline will necessarily follow the imposition of the tax, because there will be a diminution in the consumption of the food taxed, our experience with the processing tax on hogs has been that the first tax imposed was followed by a decline in the price of hogs. When the tax was stepped up from 50 cents to \$1.50, I think last February, the Department of Agriculture, profiting from the experience of the imposition of the first taxes, timed purchases of pork so as to resist the impact of that increase. A billion more pounds of pork were marketed in November, and 25 percent more were marketed in December, than in the corresponding months of the year before. That pork, except for what went into storage and what went into the export trade, was absorbed by the consumer.

Mr. KING. Except what was wasted.

Mr. CAREY. Mr. President—

Mr. NORRIS. Mr. President, I yielded to the Senator from Iowa. He has not yet finished.

Mr. MURPHY. Since the imposition of the second tax the price has not declined. One development not taken into account in the statement of the Senator from Maryland is that the justification for this program is the eventual emancipation of the hog industry. The whole program contemplates that in consequence of the imposition of this tax, which produces the money to pay the farmer for reducing his production of hogs and withdrawing acreage from corn production, he will receive much higher prices for what he will market next year.

Mr. TYDINGS. Mr. President, I should like to make a comment in reply to the Senator from Iowa.

Mr. NORRIS. If the Senator from Iowa is through, I yield to the Senator from Maryland.

Mr. TYDINGS. What I am afraid of is that we shall then go into the second phase; namely, that if we shall finally get an increase in price we will then enter the time, which the Senator says we are now entering, when there will be a decrease in consumption.

May I make another observation? Let us consider the relief fund of \$950,000,000. Some of it was spent for pork. The higher the price of pork, the less pounds of pork the \$950,000,000 will buy. The lower the price of pork, the more pounds of pork the \$950,000,000 will buy. We must take one horn or the other of the dilemma. We cannot hold onto both of them.

Mr. NORRIS. Mr. President, let me deal with that dilemma now. I tried to show awhile ago that while the Senator from Maryland was, I thought, perfectly logical in his deduction, it did not follow that the same logic extended clear through. In other words, while increasing the price has a tendency to decrease consumption, the amount will not necessarily balance the increased amount that the farmer gets for his stock.

Mr. TYDINGS. That is true.

Mr. NORRIS. That was the only objection I found to the Senator's logic.

Mr. TYDINGS. It might be more; it might be less.

Mr. NORRIS. I do not see how it could be more. In fact, it could not be more, and I think it certainly would be less. Although it seems to me no man ought to deny, if he wants to face this question fairly, that if we increase the price paid to the farmer for a certain product we necessarily decrease consumption to some extent. That decrease to the consumer is not necessarily the same in amount as the increase to the producer. That is the point I desire to make.

Mr. TYDINGS. Mr. President, I think that point is well taken.

Mr. NORRIS. The theory of the processing tax was this: We were confronted by a situation in which the farmer was producing the food that we eat at a financial loss to himself. Everybody knew that he could not indefinitely do that. No one who consumes food ought to object to paying the man who produces it at least the cost of production. I was one member of the committee, and I was one of the Senators on the floor of the Senate when we had the original bill up for consideration who favored an amendment, which amendment was agreed to in the Senate—it was taken out in conference—making provision that the farmer should receive not only the cost of production, but there should also be included a reasonable profit in connection with production.

In my judgment we made a mistake when we designated anything as a basic commodity beyond the two commodities I have previously mentioned—wheat and cotton. Inasmuch as it was an experiment, inasmuch as everyone knew it was an honest attempt to help the farmer, to help the producer of the foods we eat, although we did not know what the result of the experiment would be, it was my thought that we should try it first on the two commodities that were practically universal in production and in use, and wait until we saw, after a full trial, how that worked out, before we included anything else in the enumeration of basic products.

Mr. LONG. Mr. President—

Mr. NORRIS. I will yield in a moment. The committee, I think, reached the same conclusion after it had put in all the other products and then, seeing how ridiculous it was, took nearly all out again.

One exception that I finally agreed to was in reference to hogs. I did that after I had a long conference with the Secretary of Agriculture, who, as we all know, comes from a section which produces hogs and corn to a very great extent. I believed then, and I believe now, he understood the section very well, and he was in favor of levying a processing tax on hogs. I did not want to do it. I yielded after a while, but I thought then, and I believe now, that we have made a mistake in including all these products,

and if we include one, if we include cattle, if we include peanuts, certainly I would not say that we should not include rye, we should not include flax, we should not include oats—and I do not know where we would stop. That is the only objection I have to any of them.

Mr. KING. Peanuts?

Mr. NORRIS. Yes; peanuts.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. NORRIS. I yield first to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, I want to ask the Senator a question, and I presume and hope I can attract the attention of the Senator from Oregon [Mr. McNARY]. We started out with a back-to-the-land movement and that back-to-the-land movement is still under way. I just want to say to the Senator that I am going to vote to put peanuts in the law; and anything else that it is moved to put in and that anybody wants to put in; I am for putting them all in; but we started with a back-to-the-land movement and we have wound up in this way: As I understand from what the Secretary of Agriculture himself has said, we have got to take a lot of people off the farms and transport them to the North and try to absorb them in industry. So that has knocked down the back-to-the-land movement. So we have the proposition, on one hand, that we must depopulate the farms, and, on the other hand, that we must put people back on the land.

Mr. NORRIS. Mr. President—

Mr. LONG. Mr. President, will the Senator just let me complete the suggestion?

Mr. NORRIS. Yes.

Mr. LONG. I want the Senator from Nebraska to consider if it would not have been better to have taken the Louisiana and South Carolina plan and have planted surplus crops and stored the surplus for the following year, according to the Scripture, than to have gone along depopulating the farms?

Mr. NORRIS. Mr. President, let me say, in passing, that that is another plan, and perhaps it is better than the present one. During the last 10 or 12 years I have listened attentively, I should say, in the aggregate, for at least 5 years of my existence, to men who had plans, most of them to relieve the farmer and many of them to relieve the whole economic situation. In the main these plans come from men who are perfectly honest and perfectly earnest; they are conscientious; and I cannot say that any particular one is wrong. But here is a plan that we have agreed upon; that we have adopted; we have gone part way through it; and I do not want to quit. I do not want to make it ridiculous either. I do not want to overburden it with a whole lot of other products that I think ought not to be included, although the experiment probably can continue if we put them all under the law. The Secretary of Agriculture does not need to levy a processing tax unless he wants to, but I believe it is a mistake—and, it seems to me, we are to blame in part for the mistake—to put on too much. We have overloaded the law; we have gone too far. Someone else may not think so, and he is just as honest about it as I am. We are all trying to accomplish the same end, and I am in earnest about it, as I think everybody else is. We are conscientious about it; we have gotten into a dilemma; we are confronted by a predicament from which we must extricate ourselves; and how are we going to solve the problem? When we start and get half way through it, it seems to me we make a mistake by not going on and giving the plan a full trial. If it will not work, we will have to admit it, say that it will not work, and try something else.

Chester Davis, as I have said, has been connected with the farm question ever since the World War. He comes from Montana; he is a student of the subject; he is perfectly conscientious; he is perfectly honest. I have reached the conclusion that the processing tax on hogs was a failure; I have reached the time when I want to abandon it. I have read what he said about it; he has charge of it, and he says it is going to work, and he wants it to be tried just a little

longer. I realize that sometimes when we try these experiments we wear the fellow out on whom we are trying them, and he disappears from the equation. Yet I cannot doubt the sincerity of Mr. Davis nor his wisdom, and he has gone a good way with it.

I think that hogs never ought to have been included as a basic commodity. I come from a hog-producing section, and I was opposed to including hogs in the provisions of the law although, as I said, I yielded. After I was convinced that the Secretary of Agriculture was very anxious to try the experiment with respect to hogs, I thought it best to give him an opportunity to do it. Now that we have arrived about at a point where we are going to get benefit for the producer of hogs, I would hate to quit; yet, at the same time, I would hate to add a whole list of other products to the basic commodities. It is not because I depreciate the importance of other commodities at all, but because I believe the time has not arrived when we should do that. Yet, if we are going to do it with one, I see no reason why we should not do it with all.

Mr. BYRD. Mr. President—

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, I agree with the Senator from Nebraska that perhaps the farm relief law should have included only two commodities, wheat and cotton, at the beginning so as to give a trial to the plan, but it did not include only those two commodities.

Mr. NORRIS. I am sorry to say the Senator is right.

Mr. BYRD. The situation that confronts us now is that with respect, for example, to cotton and tobacco—and especially tobacco—if there shall be a reduction of acreage planted to tobacco, as there will be under the agreements that have been made, then that acreage is going to be planted, for example, to peanuts, and is going tremendously to increase the production of peanuts and reduce the already abnormally low price of peanuts, which is now less than the cost of production.

Mr. NORRIS. Let me ask the Senator right there if there has not been an agreement made for the reduction of acreage planted to tobacco?

Mr. BYRD. Yes.

Mr. NORRIS. Has there been any agreement made as to peanuts?

Mr. BYRD. No agreement has been made as to peanuts, because peanuts are not a basic commodity under the Agricultural Adjustment Act.

Mr. NORRIS. In the case of tobacco the agreement that has been made about the reduction of acreage planted has been reached by the producers of tobacco themselves. They are parties to the agreement.

Mr. BYRD. The only way that the agreement was reached was by putting a processing tax on tobacco in order to compensate the farmers who reduced their tobacco acreage.

Mr. NORRIS. Suppose we put all agricultural products on the list of basic commodities, would not the result be just the same as though we had included none? If we should levy a processing tax on every one of them, and make an agreement as to the reduction of acreage, we would have the same difficulty.

Mr. BYRD. We would not have the same difficulty with respect to putting the land that is taken out of one crop into another crop where the land is suitable for the new crop. In the case of peanuts, tobacco land is especially suitable for their production. It might interest the Senator to know that we put rice in the Agricultural Adjustment Act, and the Senator voted for it, and I voted for it; but, as a matter of fact, the value of the rice crop of this country is far less than the value of the peanut crop. It is further true that there are only 9,000 farms in this country planted to rice, while there are 326,000 farms planted to peanuts.

Mr. NORRIS. The Senator has me wrong in respect to my attitude regarding rice. I was not in favor of including rice in the bill.

Mr. BYRD. The Senator voted for the bill that included rice.

Mr. NORRIS. Yes; I voted for the bill; but that was one feature of the bill I did not like.

Mr. BYRD. The point I make is this: We have included these other commodities in the law—

Mr. NORRIS. Mr. President, I do not think it is fair to say, I will say to the Senator, that because I and others who agreed with me—and there were quite a number of members of the committee who did agree with me—as to what products should be included as basic products voted for the bill after other commodities were included we were necessarily in favor of including those particular products as basic commodities. That would not be a fair statement.

Mr. BYRD. Very well; I will apologize to the Senator; but the fact remains that these other commodities are included in the law, and operations are now under way to reduce the acreage of those particular commodities. That acreage is going to be planted to some other crop; and it seems to me we have got to put these other commodities under the Agricultural Adjustment Act in order to prevent an overproduction of commodities that may be planted in the acreage that is withdrawn under the provisions of the present law.

Mr. NORRIS. I have forgotten some of the provisions of the law, but I think we had carefully worked out the provisions of the bill when it was pending and gave the Secretary of Agriculture the power to meet that condition. We realized that in putting on the processing tax we might increase the price to the consumer, that we might have the market supplied with substitutes, and there is a provision in the law by which a tax is levied on such substitutes with the idea of giving the Secretary of Agriculture control over the situation.

Mr. BYRD. Does the Senator think that on peanuts, for example, there could be placed a processing tax without peanuts being included in the law?

Mr. NORRIS. No; I do not believe that to be so. I believe the Senator is right; that, in order to get a processing tax, it is necessary to include the commodity as one of the basic commodities.

Mr. BYRD. The Senator well knows in order to get a farmer to reduce his acreage that he must have some compensation for doing so. He is not going to do it by voluntary agreement. That has been tried for a number of years, but the effort has failed.

Mr. NORRIS. When the tobacco farmer reduces his acreage does he not have to agree, is it not part of his agreement that he shall not put the acres on which he does not cultivate tobacco into peanuts or some other agricultural product?

Mr. BYRD. The letter of the Secretary of Agriculture, which is lying on the desk, says that peanuts should be included as a basic commodity—

Mr. NORRIS. I heard that letter read.

Mr. BYRD. Because the farmer who reduces his acreage of cotton or tobacco will plant the land to peanuts, and that certainly indicates that peanuts should be classified as a basic commodity.

Mr. NORRIS. The Senator would not be in the dilemma in which he is with regard to peanuts if tobacco were not included in the law.

Mr. BARKLEY. We would be in a worse dilemma with reference to tobacco if tobacco were left out.

Mr. NORRIS. If tobacco were not a basic commodity, then, the reduction in tobacco acreage would not be such as could be planted in peanuts.

Mr. BYRD. But tobacco is a basic commodity.

Mr. NORRIS. Is not that the case with regard to hogs? We already have too much in the bill.

Mr. BYRD. It is a basic product, and I do not think that it could be taken out of the law as a basic product, no matter who attempted to take it out.

Mr. NORRIS. Probably it could not be, because it was put in with the other products by a majority vote; it was put in legally and fairly, so far as that is concerned.

Mr. ERICKSON. Mr. President, I have just received a telegram from the Montana Stock Growers Association pro-

testing against making cattle a basic commodity if that action carries with it a processing tax. I ask unanimous consent that this short telegram may be read from the desk.

The PRESIDENT pro tempore. Without objection, the telegram will be read.

The Chief Clerk read as follows:

HELENA, MONT., March 6, 1934.

Hon. JOHN E. ERICKSON,

United States Senate, Washington, D.C.:

Montana Stock Growers Association is opposed to making cattle basic commodity if this carries a processing tax. Will appreciate your support of our wishes in this matter. The industry in such condition that no additional burdens can be carried.

MONTANA STOCK GROWERS ASSOCIATION.

Mr. BAILEY. Mr. President, I had intended to speak for some little time regarding the peanut industry, but a number of Senators have requested that they have opportunity to speak at this time, and I will occupy the floor for just a moment.

I wish to make a brief statement regarding the situation of the farmer producing peanuts in North Carolina. I think that situation furnishes an instance and a commentary on the Agricultural Adjustment Act, and the administration of the act, of very great value. In my State there are about 17 counties in which peanuts are the principal agricultural product and means of livelihood for the farmers. In each of those counties cotton and tobacco might be produced, but the farmers in those counties have specialized in raising peanuts, and, incidentally, since hogs go with peanuts as a byproduct, in raising hogs.

Under the administration of the Agricultural Adjustment Act, the tobacco farmers of North Carolina, in a great belt surrounding the territory in which the peanut farmers operate, have, to the extent of some 97 or 98 percent, executed agreements, and received considerations for the execution of those agreements, to curtail the production of tobacco, in acreage as well as output, by 30 percent, and to that extent they will have 30 percent less to do in the current year, and they wish to find something more to do. In the same territory are the cotton farmers, and they have executed agreements to curtail the cotton crop by 25 percent, and that leaves them in need of something more to do.

Here is the point: In executing the cotton agreements and the tobacco agreements the cotton and tobacco farmers were required by the Agricultural Adjustment Administration to agree also not to produce more wheat or corn or other crops which were competitive with the crops of the Middle West, the whole crop situation being considered one, and it being quite clear that if the effect of curtailing the cotton and tobacco crops would be just to increase the production of wheat and corn and other crops in the South at the expense of the farmers in the Middle West and the far West, nothing would be accomplished.

With that state of facts, the peanut farmers are exposed to the almost irresistible necessity operating upon the cotton and tobacco producers to produce something in place of their cotton and tobacco. They have reduced the cotton; they have reduced the tobacco; they feel the necessity of employing their stock and employing themselves. There is the land, and there is the opportunity. They cannot produce any more cotton or tobacco but must abandon acreage and produce less. They are not allowed to produce more wheat; they are not allowed to produce more corn; and naturally they will produce peanuts.

Now see what the effect will be. If the peanut farming operations are spread from about 17 counties into probably 40 counties, the men who have lived by way of producing peanuts in northeastern North Carolina are destroyed. Whether this act is a good act or not, the farmer producers of peanuts are under the necessity of self-preservation to demand of this Government that it shall throw around them the same protection it throws around the farmers who are producing other crops. On the other hand, while they labor under the necessity that is imposed upon them of self-protection, the United States Government, having entered into this sort of thing, is not less under the necessity of protecting them in the interest of justice.

Mr. President, that is the situation. There is no disposition to make this act a ridiculous thing. The peanut is spoken of with a certain light sense of humor; we understand that. But the man who makes his living down in North Carolina, in those 17 counties, by way of producing peanuts, sees no humor whatever in the situation under which the Government itself throws him into competition with a great territory, induces the cotton farmer and the tobacco farmer to plant at his expense, and drive his crop down to nothing.

The matter is a matter of very great importance, and I will agree with the Senator from Nebraska and with the Senator from Idaho, and with the other Senators that, since the Government has gone into this business, necessity on one hand and justice on the other demand that it go all the way or retrace its steps. So I ask, in behalf of the peanut farmers in North Carolina, that steps be here taken to enable them to come under this adjustment act and within the powers of this administration in order that they may be saved from destruction by way of the operations of the Government, to which they are loyal and which derives its life from them and the taxes they pay.

ST. LAWRENCE DEEP WATERWAY TREATY

Mr. BROWN. Mr. President, on the 10th day of January last the President submitted a message to the Senate requesting consideration of the ratification by this body of a Great Lakes-St. Lawrence Treaty with Canada. In the second sentence of the President's message he stated:

Broad national reasons lead me without hesitation to advocate the treaty.

Mr. President, the State which I have the honor to represent borders neither on the St. Lawrence River nor the Great Lakes, and, therefore, she may not derive from the completion of this great project the benefits accruing to some of her sister States. New Hampshire never profited, directly, from the hundreds of millions of dollars expended by this Government on the Mississippi waterway system nor from the huge expenditures made for flood control on that river. New Hampshire has never directly benefited from the expenditure of the millions of our national funds on the Hudson River, the ports of Albany, New York, Baltimore, or any other ports of the Atlantic or Gulf coasts. Yet New Hampshire indirectly profits, each and every time, from any Federal expenditures which materially add to the welfare of this Nation.

Mr. President, in the brief statement which I shall make with relation to this project, I hope to consider the subject in no narrow, sectional attitude, but to follow the broad and unselfish view adopted by the President in his message addressed to this body.

I shall not discuss the question of costs; that has been answered to my satisfaction by the Army engineers in their evidence before the subcommittee of the Committee on Foreign Relations, that sat and took testimony from November 1932 to February 1933. I admit my incompetency and that of every other Senator in this Chamber to question the ability of these engineers, who have the most authoritative and reliable information available to the Government upon public expenditures of this character. Neither do I intend to discuss the effect of the treaty upon our sovereignty over Lake Michigan. The Department of State has fully satisfied me on this subject.

I shall not detain the Senate to consider at length the diversion of water from Lake Michigan to the Mississippi watershed. A glance at the map shows that the State of Illinois is taking water from one natural water course and diverting it into another. This bold action naturally met with opposition from the State of Wisconsin, which filed a suit in July 1922. Three years later the States of Minnesota, Ohio, and Pennsylvania brought similar actions to restrain this alleged illegal diversion. In April 1926 the State of Michigan filed a similar suit. In October of the same year the State of New York filed a separate bill for like relief. Subsequently the three cases were consolidated, and the decision of the Supreme Court appears in the RECORD in the

able address made by the senior Senator from Wisconsin on the 31st of last January. There can be no question but that the courts will grant relief to communities damaged by the diversion of flow from one watershed to another. I deem it an advantage to those benefited by the permitted diversion that under this treaty Canada agrees to accept the decision of our Supreme Court upon this question.

Mr. President, my remarks will be directed to the benefits which will flow to this Nation as a whole and not to any particular section or locality. The amount of costs allocated to this country—and all figures are approximate—is \$272,500,000; \$56,500,000 will be expended for locks in the St. Marys River and to deepen and broaden the channels of the St. Clair River, Lake St. Clair, and the Detroit River. Of this amount, \$14,500,000 has already been appropriated, leaving \$42,000,000 additional money to be spent on these rivers. The remainder, or \$216,000,000, is to be expended in the International Rapids section, which lies between New York State and the Province of Ontario. Of this amount, the State of New York will pay for the hydroelectric power to be developed on the American side of the international boundary line \$90,000,000, leaving \$126,000,000 as an outlay by the National Government in this section. If we add to this amount the \$42,000,000 yet to be appropriated for the works in the rivers of the upper locks, we have a total of \$168,000,000 of new money to be raised and paid for this development over a period of from 8 to 10 years during its construction. As I see it, the only question involved when stripped of all irrelevant argument is: Will the Nation as a whole be sufficiently benefited to justify the expenditure?

Every impartial study made by governmental agencies has answered this question in the affirmative. In 1920 President Wilson asked the International Joint Commission, a body consisting of 3 members from the United States and 3 from Canada, created under the treaty of 1909, to investigate and report on the feasibility of building a waterway from the Great Lakes to the Atlantic Ocean. The Commission, assisted by competent advisers designated by the two Governments, made a most comprehensive study covering 2 years. A number of routes were considered, including one from Buffalo to the Hudson, another from Oswego to the Hudson, another by way of Lake Champlain to the Hudson, and the St. Lawrence route. It held 44 hearings, 33 hearings in 16 States of this country, and 11 in 5 Provinces of Canada. These hearings were held at convenient points from New York, on the Atlantic coast, to Boise, Idaho, and Calgary, Alberta. Three hundred and fifty-eight organizations and prominent individuals appeared, consisting of agriculturists, presidents of civic organizations, public men of national reputation, engineers, and officers having technical knowledge, officers of farm organizations, leaders of finance, grain dealers, wholesale grocers, livestock breeders and dealers, lumbermen, millers, manufacturers, miners, naval architects and navigators, publishers, paper manufacturers, public-utility officers, packers, statisticians, traffic experts, officers of rail- and marine-transportation companies. Of nearly 150 organizations, only 30 appeared in opposition. The same organizations and interests from Montreal and the eastern seaboard cities who are now protesting against this waterway appeared in opposition at the hearings held before the Commission in 1920 and 1922. The Commission weighed their arguments, but found the weight of evidence against them and in favor of the waterway. The Commission took 7,500 printed pages of testimony.

The committee cast aside the other routes and recommended in its report:

First. That the Governments of the United States and Canada enter into an arrangement by way of treaty for a scheme of improvement of the St. Lawrence River between Montreal and Lake Ontario.

Second. That the new Welland Ship Canal be embodied in said scheme and treated as a part thereof.

That report was made in 1922, during President Harding's administration. President Harding took occasion to comment on this project in an address delivered in this city in January of that year, in which he said:

The heart of the continent, with its vast resources in both agriculture and industry, would be brought in communication with all the ocean routes by the execution of the St. Lawrence Waterway project. To enable ocean-going vessels to have access to all the ports of the Great Lakes would have a most stimulating effect upon the industrial life of the continent's interior.

The feasibility of the project is unquestioned, and its cost, compared with some other great engineering works, would be small.

In 1924, President Coolidge appointed the St. Lawrence Commission of the United States, of which Secretary of Commerce Hoover was chairman. Canada appointed a similar body, called the "Advisory Committee." These two commissions appointed the International Board of Engineers to study further the many engineering problems involved in the development. After 2 years of investigation by the Commission, during which time intensive study was made by the engineers, the Commission reported to President Coolidge. It stated not only that the construction of this waterway was imperative for the relief and future development of the continent but that the saving to the farmers annually would equal the cost of the development.

Mr. President, are we to ignore the impartial conclusions reached by governmental agencies that had the best information available to arrive at a conclusion based on good judgment? Are we to sweep away lightly the conclusions reached by men who devoted to the public service years of their time to perform a patriotic duty? I insist that the conclusions reached by the two commissions to which I have referred cannot be lightly cast aside.

The States of New England became so deeply interested in this waterway that in 1923 a committee consisting of 5 representatives from each of the 6 New England States was organized—

For the purpose of conducting a comprehensive study and rendering an unbiased opinion respecting various conflicting claims and arguments which have been advanced from time to time respecting the feasibility and desirability of developing the St. Lawrence River as a seaway for deep-draft vessels from the Great Lakes to the Atlantic Ocean.

The 30 men on this committee were made up of ex-Governors, ex-Congressmen, leaders of finance, public-service commissioners, and other men conspicuous in the life of New England. Of the 5 men from my own State, 3 were former Governors, 1 a former Member of Congress, and another had devoted much time to public service.

That committee investigated the power possibilities, the economic features involved in the waterway for navigation purposes, the rights of the United States and Canada in the St. Lawrence River and the Great Lakes, the estimated savings in transportation costs, the navigation possibilities, the question of costs, the interference to navigation by fog and ice, the effect of the closed winter seasons, the possible adverse effect upon the railroads, the lack of balanced cargoes, the influence of the project upon the Nation's merchant marine.

All these subjects were considered by leading men of the States of New England some years ago, and their report concludes with the following statement:

The committee, therefore, places itself definitely on record as favoring the early entrance of this Government into negotiations with the proper officials of the Canadian Government looking toward the prompt consummation of a treaty which will make possible the undertaking of the enterprise, and urges upon all New England's local and national representatives the desirability of their full cooperation in every reasonable manner to bring this result about.

Mr. President, this is the recommendation of 30 prominent New Englanders to their representatives, and although made a few years ago, the facts have not changed; and if this proposition was feasible at that time, it is feasible today.

In 1930 Governor Roosevelt, of New York, appointed the St. Lawrence Commission to investigate the power possibilities of that portion of the river contiguous to New York State. After a year's investigation, this commission made a report favorable to the development, and upon that report a law was passed in the State of New York creating the power authority of the State and declaring the policy of the State of New York to be in favor of the development of the

river for navigation, commerce, and the development of hydroelectric power therefrom.

Upon the submission of the St. Lawrence Waterway Treaty to the Senate it was referred to the Committee on Foreign Relations, and a subcommittee of that committee commenced hearings in November 1932. All parties interested appeared and registered their approval or disapproval. After hearing the evidence, the subcommittee gave its approval to the treaty and recommended its ratification. The full committee did likewise in its report to this body.

Mr. President, the record shows that 3 Federal governmental agencies, 1 official New York State agency, and 1 unofficial but representative New England agency have had this undertaking under advisement over a period covering the past 14 years, and each and every one has given its unqualified approval and has vouched for its economic soundness.

President Roosevelt has not been content with the reports to which I have referred. He has had studies made by the various departments of the Government. We have before us information from the War Department, the Department of Commerce, the Interstate Commerce Commission, and the Federal Power Commission. Those studies show that railroads will be benefited, not injured, and that railroad employees will not be detrimentally affected. They further show that the project will not in any way affect or interfere with the proper use of the Mississippi River or the Missouri River for navigation. These studies show that the mid-continent might have saved in transportation charges on foreign imports and exports alone, without considering domestic commerce, about \$79,000,000 annually. Based on this estimate the saving on foreign commerce alone to the Great Lakes States in 3 years is more than sufficient to pay the United States Government's share of the waterway.

Mr. President, my experience in this body has been brief, but I doubt if any public enterprise has ever received the thorough, unbiased, and conscientious study which has been given the St. Lawrence project, and I cannot disregard the conclusions which have been reached.

The Republican Party endorsed this waterway in its national platform. President Roosevelt as a candidate committed his party to it. Both candidates in their campaign declared in favor of it, and I propose to uphold the President of the United States in carrying out a pledge which he made to the American people when he was a candidate for the Presidency and which he is now endeavoring to fulfill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes; agreed to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, Mr. GAMBRILL, Mr. BRITTEN, and Mr. DARROW were appointed managers on the part of the House at the conference.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. WHEELER. Mr. President, on February 18 of this year the senior Senator from the State of Pennsylvania [Mr. REED], delivering a radio address over the National Broadcasting chain, made this statement:

Sixteen months ago, by a huge majority, this administration was elected. Its platform held out many fair promises which evidently made a strong appeal to the American people. As if to emphasize the solemnity of these promises the platform said: "We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know that the party when intrusted with power shall fulfill that platform pledge."

On another occasion in the same speech he said:

These were the solemn promises on which the Democratic Party secured enough votes to give it control of the Government of the

United States. Let us see how these solemn promises have been kept.

Again in the same speech he said:

In view of this record, is it fair to assume that all of the Americans who voted the Democratic ticket are in favor of the policies of the new deal? I do not think that it is. Those voters relied upon the promises of the Democratic platform. They trusted the solemn assurances that were given them in these planks of the platform. Anyone who favors these present policies could not have approved that platform.

Again he states:

I have now run hastily over the list of broken promises, for which this administration must some day account to the American people, and in the brief time remaining to me I want to consider the effect of this bad faith upon the condition of the Nation, and to outline briefly the alternative course that I believe the Nation ought to be helped to follow.

Mr. President, I concur in what the Senator from Pennsylvania said with reference to campaign promises and with reference to platform promises. I particularly desire to call attention this afternoon to the promises that were made by Mr. Roosevelt in the last campaign with reference to the St. Lawrence Treaty, and I also want particularly to call attention to the platform pledges that were made by the Republican Party on that same subject.

The President sent his message to the Senate January 10 with a report of an economic and engineering study covering every phase of the Great Lakes-St. Lawrence project for navigation and water power.

Since that message and report were received, not a speech has been made in this body that refutes or even effectively challenges a single statement of fact upon which the President's conclusions and recommendation rest.

Mr. WALSH. Mr. President, some of us have not yet made our speeches.

Mr. WHEELER. That may be so, Mr. President.

LOCAL AND SPECIAL INTERESTS VERSUS NATIONAL BENEFITS

It is true that appeals have been made to the local and special interests, which the President condemned in his message. It has been claimed that the President was misinformed and misled by his advisers when he asked the ratification of the treaty. But no one has yet successfully shown that the President was in error in respect to any fact which led him to the decision that the completion of this project will permanently benefit the people of every section of the United States.

To say that the President of the United States is ignorant of the facts related to the St. Lawrence shows an entire want of familiarity with the public record of Franklin D. Roosevelt. Yet certain Senators have justified their opposition to the treaty in speeches on this floor by charging that the President was misinformed when he submitted his message.

ROOSEVELT'S 5-YEAR FIGHT FOR ST. LAWRENCE POWER

No one can read the official papers and messages of Mr. Roosevelt as Governor and as President from 1929 to 1934 and deny that he has given more continuous study to this question than any other living public man—more than even the Members of the Senate. He dealt with this project for 4 years as Governor with the same consistency with which he is dealing with it as President of the United States. It is amazing that Democrats should arise here and charge him with acting upon this subject without proper consideration and experience with the problem.

In his inaugural address as Governor of New York, on January 1, 1929, more than 5 years ago, Mr. Roosevelt said:

In the brief time that I have been speaking to you, there has run to waste on their paths toward the sea enough power from our rivers to have turned the wheels of a thousand factories, to have lit a million farmers' homes—power which nature has supplied us through the gift of God. It is intolerable that the utilization of this stupendous heritage should be longer delayed by petty squabbles and partisan dispute. Time will not solve the problem; it will be more difficult as time goes on to reach a fair conclusion. It must be solved now.

I WANT THE CONSUMERS TO GET THE BENEFIT

On March 12, 1929, in a special message to the legislature, Governor Roosevelt said:

For a generation the need for power for industrial and domestic purposes has been steadily increasing, and during this period the ownership by the people of the State of New York of a vast potential source of energy in their portion of the waters of the St. Lawrence River has received increasing public attention. * * *

I have spent many hours and many days in study of the mechanics of the problem. I am very certain that we have today in existence sufficient data and facts to justify the elimination of any further study as to mere physical feasibility. I have gone over volumes of carefully gathered information, including a comprehensive physical survey of the suggested site or sites on the St. Lawrence River. * * * It is my judgment that no insuperable difficulty lies in the relationship between the State of New York on the one side and the United States Government or the Canadian Government on the other side. * * *

I want to see something done. I want it done in accordance with sound public policy. I want hydroelectric power developed on the St. Lawrence, but I want the consumers to get the benefit of it when it is developed.

Is there any indication in that statement, Mr. President, that he is depending only upon advisers with reference to the St. Lawrence deep waterway? On the contrary, it shows conclusively that not only has he listened to advisers but that he himself has taken an interest in this question, and that he has made careful survey of every single detail in connection with it.

REELECTED GOVERNOR ON PUBLIC-POWER ISSUE

In 1930 Mr. Roosevelt based his campaign for reelection as Governor upon the power and public-utility issue. In speech after speech he produced the facts to show that domestic rates for electricity in his State were, on the average, about four times the rates charged on the other side of the St. Lawrence River in the Province of Ontario.

In the principal speech of his campaign tour, at Syracuse, N.Y., on October 22, 1930, he said:

While for decades we have been permitting the millions of horsepower lying in the flow of the St. Lawrence River to go idly on its way to the ocean, the Canadian municipalities have been taking advantage of their natural water-power resources so as to convert it into cheap electricity. * * *

ROOSEVELT INSPECTS PROJECT SITE ON ST. LAWRENCE

During the last two summers I have been up to the Niagara and St. Lawrence Rivers a number of times.

Not that the President is taking somebody else's statement for it, but he himself has been up to the Niagara and St. Lawrence Rivers a number of times.

On these visits I have seen power houses erected by private corporations which obtained franchises from the State practically for nothing. I could not but reflect on the short-sighted policy of those past legislatures which had so wantonly given away the heritage of the people of the State.

I had long before that given the subject much consideration and had come definitely to the conclusion that that policy had been uneconomic and unsound; but as I stood on the banks of the St. Lawrence and Niagara Rivers and saw this rich possession which should rightfully belong to the people of our State going into power houses of private corporations, I formed a firm resolve that so long as I am Governor and so long as it is at all possible for a State agency to develop these resources that no more would they be given or leased to private corporations.

THE POWER TRUST AGAINST GOVERNOR ROOSEVELT

In 1931 the State Senate of New York, controlled by the Republican Party, attempted to deprive Governor Roosevelt of the power to name the membership of a State commission authorized to act upon this problem. The senate sought to name the members of this commission by legislative act. On April 2, 1931, Governor Roosevelt said:

I am convinced that this action is dictated by forces which have prevented the development of water power on the St. Lawrence for the last generation. I am convinced that Republican leaders in and outside the legislature have realized that this movement toward the public development of water power is, from their viewpoint, dangerously near to achievement. * * * The conclusion is irresistible that this action was taken purely to hamstring, hinder, and stop the power development.

What Governor Roosevelt said 3 years ago is equally true today. The same forces that he met and defeated in his own State are still attempting to stop the power development on the St. Lawrence River, and they are doing it now by attacking the navigation features of the pending treaty.

PRIVATE COMPANIES EAGER TO LEASE ST. LAWRENCE POWER RIGHTS

In his address to the legislature on January 1, 1930, Mr. Roosevelt answered one of the absurd arguments against the development of the St. Lawrence River which is still being heard today in opposition to the pending treaty. He said:

Let us stop once and for all the silly talk that the electricity available by the development of the St. Lawrence is not needed or not usable in a practical way. We know that private companies are only too eager to proceed if the State were to abandon its rights. * * *

It is becoming more and more clear that the families, whether they live in the cities, in the villages, or on the farms, have been paying too much for their electricity and are therefore not in position to use to a proper degree the many labor-saving devices of modern invention. * * *

Whether mere regulation of electric utilities in the future can be made more successful than it has proved in the past remains a serious question. In the meantime the development of the great State-owned natural resources offers a definite method of relief.

ROOSEVELT CONDEMNS ALUMINUM CO. GRAB

At the crisis of his administration over this issue in April 1931, Governor Roosevelt announced that he would take the case to the people. On April 7, 1931, he spoke on the radio, as follows:

You are familiar with the fact that over 20 years ago the legislature literally gave away for nothing to the Aluminum Co. of America the title of the State in the bed and waters of the St. Lawrence River; that this action was rescinded and annulled by a subsequent legislature. * * *

In the early years of Governor Smith's term a desperate effort was made by the power companies and the Aluminum Co. to get the State to turn the St. Lawrence sites over to them on a so-called "50-year lease."

Mr. Roosevelt described the defeat of this attempted grab by the Aluminum Co., and the subsequent effort of the private power companies of the State to block the public development of the power they had been seeking to exploit. The Governor was then trying to obtain from the legislature the enactment of a law creating the present Power Authority of the State of New York, and in this radio address he stated:

* * * I can only say that I hope there will be no political or administrative obstruction in Washington, and the State of New York must very properly make its plans so as to interfere in no possible way with the present or future navigation of the St. Lawrence River. The State of New York has no desire to selfishly block either our Federal Government or the Canadian Government in any development of the St. Lawrence which they may mutually agree upon. There is, therefore, no real reason for obstruction in Washington.

PUBLIC OPINION BOUND TO WIN IN THE LONG RUN

"From the very beginning", he said, "I have held to a consistent course and to a consistent objective. I have fought all along for development of this power by an agency of the State itself and not by any private corporation. Furthermore, I have fought from the very beginning for the use and distribution of this power for the great purposes of bringing more and cheaper electricity into the homes of the State. * * * The influence of a handful of political leaders is strong and so is the influence of private corporations when they see an opportunity to get something for nothing * * * but public opinion, when it understands a policy and supports it, is bound to win in the long run."

In the teeth of this public record, the charge can no longer be seriously made on this floor that President Roosevelt was "misinformed", "ill-advised", and "misled", when he sent his message to the Senate urging the ratification of the pending treaty.

The fact is the President knew exactly what he was doing, and he had sufficient confidence in the Members of both parties in the Senate to believe they would join with him in bringing to completion a project that would confer great national benefits, even though it meant the opposition of the Power Trust.

Not only that, Mr. President, but we find among Democratic and Republican Senators those who have stood on the floor of the Senate and condemned others, who did not always follow the President, while they themselves have said, "We want to follow the President of the United States." Yes; some of them wanted to follow him when it came to cutting down the pay of the soldiers; some of them wanted to follow him when it came to curtailing the expenses of

the Government of the United States, and when it came to cutting down the pay of the workers of the Government; but when it comes to facing the opposition of the great corporations that are now opposed to this project they forget their loyalty to the Chief Executive of this Nation.

CANDIDATES OF BOTH PARTIES PLEDGED TO PROJECT IN 1932

There has been much discussion in this debate as to exactly what was promised the American people in 1932 in respect to the development of the Great Lakes-St. Lawrence project.

There need be no doubt upon that subject. The candidates of both parties specifically and repeatedly promised that this project would be completed without delay and the representatives of the land-locked States of the Middle West and the Northwest are here today to demand the fulfillment of that pledge.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. At that time there was not any treaty in existence. Is not that right, I will ask the Senator?

Mr. WHEELER. Yes, I think there was no treaty in existence at that time.

Mr. DIETERICH. The party declared itself on the question of the St. Lawrence waterway.

Mr. WHEELER. Yes.

Mr. DIETERICH. There was no indication then as to what the division of power rights would be between the United States and Canada, was there?

Mr. WHEELER. I think that is correct.

Mr. DIETERICH. What does the Senator say as to how the power rights should be divided as between the United States and Canada?

Mr. WHEELER. I think there is only one way in which they can be divided, upon an equitable basis, and I think they are being divided upon an equitable basis. I think the United States cannot afford to take the position of saying to Canada that we will reject the treaty on that ground. There is no use of arguing about it. I appreciate the fact, with all due deference to my good friend from Illinois, that people who are bound and determined to defeat this treaty—and we might just as well be frank about it—are the same group who were in Chicago saying, "Let us stop Roosevelt from being nominated", and that effort came to a large extent from the power interests in the city of New York or which had headquarters there.

Mr. DIETERICH. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Montana yield further to the Senator from Illinois?

Mr. WHEELER. I gladly yield to the Senator from Illinois.

Mr. DIETERICH. The Senator does not accuse me of being in that category, does he?

Mr. WHEELER. Not in the slightest, not at all. I think, however, the Senator is being misled by propaganda which they disseminated.

Mr. DIETERICH. The Senator says he thinks the power rights should be divided equitably, but it is a fact that the United States furnishes 65 percent of the water that flows over Niagara Falls; and does he think that an equitable division there would give Canada 38,000 second-feet and the United States only 20,000 second-feet?

Mr. WHEELER. I think there is plenty of power if we give them that much and the United States only takes that much for the people of the United States.

Mr. DIETERICH. Mr. President, will the Senator yield further?

Mr. WHEELER. Yes.

Mr. DIETERICH. This treaty, if ratified, would forever dispose of the division of power, would it not?

Mr. WHEELER. I am not particularly interested in that. I am perfectly willing, let me say to the Senator, to trust the ability and the integrity of the President of the United States

and the commissions that have been appointed to solve this problem upon a sound and equitable basis, both to the Canadian Government and to the United States. I am not familiar with the details, let me say to the Senator, of the working out of the project and with the conclusions on which the details are based, but I have confidence in the commissions that have been appointed not only by President Hoover but likewise those that have been appointed by the present President of the United States.

Mr. DIETERICH. Mr. President, if the Senator from Montana will yield to me further, it is not necessary to work out many details when at Niagara there is a division of power rights in the ratio of 38,000 second-feet to Canada and 20,000 second-feet to the United States, and when we are charged with half the cost of the St. Lawrence development, and in the power rights developed on the St. Lawrence we are given 1,000,000 horsepower and Canada takes 3,000,000 horsepower, although we pay an equal amount for the development work. Does the Senator consider that safeguarding the interests of the United States?

Mr. WHEELER. Is that the only objection the Senator has to the treaty?

Mr. DIETERICH. No; there are others.

Mr. WHEELER. I want to know, is that the only objection the Senator has?

Mr. DIETERICH. I have indicated two objections—namely, the division of power at Niagara Falls and the division of power on the St. Lawrence River. I have another objection, and that is to limiting the diversion of water for the Lakes to the Gulf waterway to the terms of the decision of the Supreme Court, which never even passed on the question of the volume of water necessary to supply that waterway and make it commercially useful.

Mr. WHEELER. Let me say to the Senator—

Mr. DIETERICH. I have another objection, if the Senator will yield further.

Mr. WHEELER. I am glad to yield.

Mr. DIETERICH. That is, to making Lake Michigan an international basin and allowing Canadian vessels to ply from port to port there as against our ships that are now there.

Mr. WHEELER. Then I take it that the Senator feels that the President of the United States has completely betrayed the people of the United States in advocating the treaty.

Mr. DIETERICH. O Mr. President, I resent any inference of that kind.

Mr. WHEELER. Does not the Senator feel that it is a betrayal of the interests of the people of the United States?

Mr. DIETERICH. I have never said anything of that kind.

Mr. WHEELER. Then I beg the Senator's pardon.

Mr. DIETERICH. I have never said anything of that kind. I have never accused the President of the United States of betraying the interests of the people of the United States. He never has done that. He acts upon information he has received, and it is my honest judgment that the President of the United States has never received the proper information. It is further my opinion that when he shall receive the proper information he will reverse his attitude on the St. Lawrence waterway, not as a waterway but as to other matters in the treaty that are not even pertinent to the waterway.

Mr. WHEELER. Let me say, as I said a moment ago, and as I have been pointing out, that I think there is no man in the country who has given such complete and such close study to the project as has the President of the United States.

Mr. LONG and Mr. LEWIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I will yield in just a moment. I repeat what I said a moment ago. I think the President of the United States has made a more complete study of the problem than any man in the United States, including the Senator from Illinois and the Senator from Louisiana.

Mr. LONG and Mr. DIETRICH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I will yield first to the Senator from Louisiana.

Mr. LONG. I just want to ask the Senator from Montana if he happens to know who is going to get the power that will go to Canada, embracing about 75 percent of the power?

Mr. WHEELER. No; I do not; but I do know that the propaganda that is being disseminated from one end of the country to the other at the present time is being put out by the Power Trust. Does the Senator deny that?

Mr. LONG. I do deny it.

Mr. WHEELER. Then, the Senator does not know the situation.

Mr. DIETRICH. Mr. President, will the Senator yield further?

Mr. WHEELER. When I shall have finished with the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Montana has the floor. To whom does he yield?

Mr. WHEELER. I yield further to the Senator from Louisiana.

Mr. LONG. Does not the Senator from Montana know that it has been disclosed on the floor of the Senate that \$500,000 was spent directly in trying to put over the treaty?

Mr. WHEELER. No; I do not know anything of the kind. On the contrary, I know that the power interests are carrying on a campaign of propaganda from one end of the country to the other against the treaty, and every Senator on the floor who knows anything about the situation at all knows exactly the influences that are back of the opposition. I am not accusing any Senator in any way, but I do say that the Power Trust has sent out a great deal of misinformation. Senators rise here and say that the President of the United States is misinformed and that he is taking such misinformation as a basis for his attitude. I say he has been making a study of this question for the last 10 years, and I have sufficient confidence in him to believe that he knows what is for the best interests of the people of the United States and that he is going to protect our interests.

Mr. DIETRICH and Mr. LEWIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield first to the junior Senator from Illinois.

Mr. DIETRICH. Does the Senator know who is supplying the funds for the Tidewater Association to scatter propaganda, or did he ever become acquainted with the Tidewater Association?

Mr. WHEELER. I did not know there was a Tidewater Association.

Mr. DIETRICH. Does not the Senator know it to be a fact that the Canadian Power Trust is supplying those funds in order to put through the provisions of a treaty that gives to Canada, as the Senator from Louisiana [Mr. LONG] said, about 75 percent of the power developed in the St. Lawrence waterway and at Niagara Falls?

Mr. WHEELER. I said I did not know there was a Tidewater Association, and I do not know anything about the facts the Senator has stated, if they are facts. I never heard of them before in my life. In other words, does the Senator think the power interests have deceived the President of the United States?

Mr. DIETRICH. I think the power interests of Canada are back of those provisions of this particular treaty, but we cannot investigate the power interests of Canada because they are across the Canadian border.

Mr. WHEELER. Does the Senator think they have misled the President of the United States?

Mr. DIETRICH. I do not say the proponents of the treaty have misled the President, but I do say they have not supplied him with the proper information that he

should have had to act intelligently upon the matter, because I cannot conceive of the President being properly advised on it and then giving to a foreign country an advantage over the United States in the matter of power development.

Mr. WHEELER. Then the Senator does think that the President is being misled by the foreign power interests?

Mr. DIETRICH. I do not mean by the Senator who is speaking, because the Senator has not been so enthusiastic on this question until the present time.

Mr. WHEELER. I have been for the treaty for a long period of time, and so has my colleague the junior Senator from Montana [Mr. ERICKSON]. I spoke in favor of it in Montana long before the Senator from Illinois came here.

Mr. DIETRICH. That was before there was a treaty pending.

Mr. WHEELER. Yes.

Mr. DIETRICH. That was with reference to the St. Lawrence development proper and not with reference to the treaty.

Mr. LEWIS. Mr. President, will the Senator yield to me now?

The PRESIDING OFFICER. Does the Senator from Montana yield to the senior Senator from Illinois?

Mr. WHEELER. I am glad to yield.

Mr. LEWIS. I ask the attention of the Senator from Montana.

Mr. WHEELER. The Senator always has my attention.

Mr. LEWIS. I want not only the attention of the Senator from Montana but his reflection.

I want to invite the attention of the Senator to a statement he has just made in his speech that he may give it serious thought. The Senator said that they who are opposing the treaty, who profess to be devoted to the President and to support his policies, were willing to support the cutting down of the soldiers' pay and compensation otherwise, and such other things, but that when it comes to this matter they refuse to support the President because, as I gathered from my able friend from Montana, of the great influence of some power trust that is somewhere influencing those who in this particular instance do not follow the President. I ask my friend if he will not reflect on that statement and realize that he has been an advocate of a monetary policy called "16 to 1 for silver"?

Mr. WHEELER. Yes; and I still am.

Mr. LEWIS. Yes; and it is because the Senator still is that I wish to ask his serious consideration of a proposition he has just submitted. He has been an advocate of that measure, for which there is great support. The President of the United States has been compelled, in considering the monetary policy of the United States, to present matters to this body and to the Congress generally touching a gold basis that my eminent friend from Montana must esteem was inconsistent with the position he has been advocating of 16 to 1 with relation to silver.

Now, that he has been called on in the advocacy of the interests of his own State to give the support of his own honest convictions to the remonetization of silver at 16 to 1 as a current money, which is not the position of the President, will he contend it to be just or allow it to be said, because of the presentation of the views of the President on the matter of gold, that the silver interests or the silvermine owners are those who are influencing his action as against the monetary policy of the administration? Therefore, there is a parallel in the accusation he makes with reference to the power interests.

Mr. WHEELER. It is parallel because of the fact that the mining companies of my State have been openly opposed to my bill for the remonetization of silver at 16 to 1. I am not complaining because any man disagrees on conviction with the President of the United States. I have disagreed with him and I shall probably disagree in the future as to many matters. I have said, on the contrary, that a few of us have been reprimanded on the floor of the Senate for not standing by the President, and some of those who have reprimanded us for not standing by the President are now turn-

ing around and voting against him on one question in which he is vitally interested, which he has been favoring and for which he has been fighting for the last 5 or 6 years, as Governor of the State of New York, and in the campaign, and as President of the United States.

Mr. LEWIS. But the Senator will not forget that he intimated and clearly stated as to the opposition of those Senators who heretofore have been supporting the President and so continue to do, such as myself, that upon this proposition they must be influenced, unconsciously or consciously, by the power trust, that it is the power trust that is guiding their views and that now causes their opposition to the President.

I make the parallel that my able friend from Montana is in favor of remonetization of silver at 16 to 1. Does he think it is fair that the intimation be made that the silver mines of the Western States shall be charged with being the real source of the influence which causes him and his colleague to favor 16 to 1 as against the President in the fight which is now being waged by the Senator from Montana?

Mr. WHEELER. I think, in the first place, the Senator entirely misunderstood me.

Mr. LEWIS. That may be.

Mr. WHEELER. If the Senator understood me as saying that Senators here were fighting this treaty because of the fact that the Power Trust were opposed to it, he misunderstood my statement, because that was not what I intended to state. I did say that the power interests were opposing the treaty, that they had been fighting it continually, and they are fighting it today. They opposed the President of the United States as Governor of New York on this question; they opposed him in the convention at Chicago, as I shall point out; and they have repeatedly opposed him on this particular issue.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Montana yield to the Senator from Michigan?

Mr. WHEELER. I yield to the Senator.

Mr. VANDENBERG. I have no interest in questioning the motives of anybody in respect to his attitude upon this treaty. I am perfectly willing to concede thoroughly honest motives to everyone. I suggest that the rule might well be reciprocal.

It has been stated here repeatedly that the Great Lakes-St. Lawrence Tidewater Association is financed by some sort of sinister fund from the Canadian Power Trust; that it has some sinister source of supply. The truth of the matter is that the funds of the St. Lawrence-Great Lakes Tidewater Association are furnished by legislative appropriations in 23 States of the Union; and there never was a movement which had a more definite, clean source of supply than the fund to which I refer. It speaks for millions of our citizens by an authority little short of official.

Mr. LONG. Mr. President—

Mr. WHEELER. Let me say to the Senator from Michigan that I did not even know there was a Tidewater Association. I never heard of it until the Senator made his statement.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. LONG. Mr. President, let us get the thing straight.

Mr. WHEELER. Yes; I will get it straight.

Mr. LONG. My friend from Michigan speaks about 23 States. How much did those 23 States put up?

Mr. VANDENBERG. I shall be very glad to provide the complete balance sheet. For many years they have been making their annual appropriations. My own State has made an appropriation for at least 10 years. The appropriations are made in public. There is no question whatsoever about them.

Mr. LONG. The point I wish to make for my friend from Montana, who is ignorant on this matter of the Tidewater Association because he was not here the other day, is that there is a Tidewater Association, amply financed, that has

not been, I am sure, paid money by the State of Michigan to carry on this fight; and if the domestic power interests of America are against this treaty the only difference in the power stand can be that the Canadian power interests are on one side of the issue and the American power interests are on the other side. I do not know whether they are or not; but if that is the case, let us just quit talking about the power part of this treaty at least. If we are not going to drive out the American power interests, if we are going to concede that they are lawful enough to stay in this country, then certainly we ought not to be trying here to ratify a treaty which is simply a case of power against power, and in the Canadian power interest in the proportion of 33 to 20, with America producing 65 out of 100 percent of the power.

That is the proposition we are facing here.

Mr. WHEELER. Let me say to the Senator that some of the power interests have not remained in this country. Some of them are hiding over in Greece, and a lot more of them, if they had their just dues, would be in the same place that Mr. Insull is, or they would be on their way to the penitentiary, because of the fact that they have robbed the American people. They have not only done that but they have likewise robbed their own bondholders, and their own stockholders, and their own directors, in some instances.

Mr. LONG. Will the Senator permit me to say that the Insull interests went one half to Greece and the other half to Canada; and the Senator is now advocating something that could be very well taken advantage of by the part of the Insull outfit that went to Canada.

Mr. WHEELER. Oh, no; I am not worrying about the part that went to Canada, and nobody else is. They do not amount to very much, either in Canada or here.

Mr. LEWIS. Mr. President—

Mr. WHEELER. I yield to the Senator from Illinois.

Mr. LEWIS. First, I desire to advert to the statement made by our eminent friend from Michigan, referring to the Tidewater Association, and the information accorded that the States have been making appropriations for that association for 16 years, or say for 10 years, of which the able Senator from Michigan is quite informed.

I beg to answer that those associations, to the degree that they were honest—some of them were not—were merely for the development of some water system that led through these States to tidewater. It was not this treaty that was involved. The treaty had no life. It did not exist. It was a manifest imposition, though unintended, to leave the impression that these States have been contributing for the enforcement of the particular treaty that is before us here. We have shown clearly once or twice before this body that the gentlemen who were paid salaries and who have been maintained by this fund had one interest, and the States wholly another.

I conclude this interruption now by saying that there never has been a contention—I must correct my able friend from Montana—that our able President was not informed on the power question. It has, to the contrary, been asserted that he was fully informed. We have always asserted, as to the power question, that what the President said in his message while Governor of New York, as well as in the communication read by the Senator, as to the arrangement between Ontario and the State of New York respecting that power, is something that can be done at any time, either through the body called the Power Authority, which was created by the President when Governor of New York, or in any other form. It does not go at all to the question of the rightfulness of this treaty as a treaty between this country and the Empire of Great Britain, pledging America to pay these vast sums of money, equaling what may be a billion of dollars, out of our pockets for the welfare of the Canadian interests on the one hand and for the development of the shipping of the British Empire on the other.

Mr. WHEELER. I have heard that speech before.

Mr. LEWIS. The Senator will hear it again, and will oftentimes have to meet it from his constituents when they learn the truth of it.

Mr. WHEELER. I appreciate, of course, that the Senator from Illinois is very much opposed to the portions of the treaty which would permit navigation; but the people of my section of the country and the entire Northwest took the President at his word, and took the Republican Party at their word, when they pledged that they were going to carry through this treaty. There was a pledge not only on the part of the Republican Party, as I shall show, but likewise repeatedly on the part of the President of the United States, to do that very thing; and the people voted for him upon that issue.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Missouri.

Mr. CLARK. The Senator surely did not mean to say what he did say—that the Senator from Illinois is opposed to those portions of the treaty which permit navigation. What the Senator from Illinois is opposed to, and what I am opposed to, and what many other Senators are opposed to, are those provisions of the treaty which prevent navigation on the Lakes-to-the-Gulf project.

Mr. WHEELER. I think the Senator is entirely wrong, and my understanding is that engineers' reports will be in here in a short time which will show that the Senator is wrong with reference to that feature.

Mr. CLARK. Of course, the engineers' reports can be brought in at any time. The Senator never has known an instance where a President of the United States who took a definite position about any project could not get a report from the Corps of Engineers on that side of the question.

Mr. WHEELER. After all, we as laymen must depend upon engineers with relation to projects of this kind; and if we cannot depend upon the Army Engineers to furnish us with proper reports upon such matters, I do not know where we will go to get our information regarding them.

Mr. CLARK. Mr. President, will the Senator yield for just a moment further? Then I will not bother him any more.

Mr. WHEELER. I yield.

Mr. CLARK. If the Senator will examine the testimony of the most eminent of the Army Engineers, he will find great diversity of opinion as to the volume of water necessary for the Lakes-to-the-Gulf project. As eminent an engineer as General Jadwin, the late Chief of Engineers, testified on one occasion that 10,000 second-feet were necessary for a commercially successful Lakes-to-the-Gulf project, and on another occasion in the same year he testified that 5,000 second-feet were necessary.

Mr. WHEELER. Let me say to the Senator that my understanding is that the majority of the Army engineers upon whom the President is depending have concluded that this project is feasible. I have stood upon the floor of the Senate and advocated, as a matter of fact, the development of the Mississippi River and the Great Lakes, not because it would help my section of the country, but because it would benefit all the people of the United States. The Great Lakes-St. Lawrence Treaty, in my judgment, is not only going to benefit the Northwest, but it is going to benefit every section of the country. One thing that must be done, in my judgment, if we are going to have a return of prosperity in this country, is to have the vast Middle West and West settled; and I think the ratification of this treaty will help more in that respect than almost any other piece of legislation that could be accomplished.

Mr. LONG. Mr. President, will the Senator yield for just a moment?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. Since the Senator brings in the Army Engineers, who have vacillated on this matter, I wish to say that the President of the United States announced first what he wanted to do, and then sent word to the Army Engineers of his position, and asked, "What about it?"

Mr. WHEELER. I do not know anything about that.

Mr. LONG. That is not uncommon, if I might trace it for just a minute.

Mr. WHEELER. I will say to the Senator that I do not think that is a fair statement on his part, and I should have to dispute it, although I have not any basis for disputing it. I cannot conceive that the President of the United States said to the engineers that he wanted a certain specific report made, and I do not believe it.

Mr. LONG. I did not say he did. What the President said was, "We are for this treaty." Then he said to the engineers, "Now, give us a report on the feasibility of it. I am going to advocate this treaty." That is what happened.

Mr. WHEELER. I should have to dispute that statement, although I do not know the facts in the matter, and I should like to know upon what the Senator bases his assertion.

Mr. LONG. I base it upon the simple fact that the President went out and said he was in favor of this treaty, and that was before the engineers ever were called on at all.

Mr. WHEELER. The Senator draws a very unfair conclusion from the mere suggestion that the President advocated the treaty. The Army engineers have said that this project is entirely feasible—at least, that is my understanding—and the President is for it; and the mere fact that the President of the United States came out and advocated it before some of the reports from the Army engineers came in is no excuse for the Senator's saying that the Army Engineers were influenced by that statement.

Mr. LONG. The point I want to make to the Senator is that when General Jadwin and his crowd made their survey for the Mississippi Valley floodway, they recommended certain things that were written into the law. General Jadwin passed on, and Mr. Hoover came in, and Gen. Lytle Brown has gone ahead executing that program, and has paid no attention to what the Army Engineers reported and what they have done; and Mr. Hoover told several of us that what they were going to do was to ignore the Boeuf spillway. They never got another opinion from the engineers about the Boeuf Spillway, but they went ahead after Mr. Hoover decided to go the other way, and the Army engineers went the other way.

Those Army engineers are just like an army mule. Wherever you pull a line, there is where the engineer goes. There is not any difference between them and anybody else bossed by a superior. [Laughter.]

Mr. WHEELER. I should have to disagree with the Senator with reference to that; but, speaking of campaign pledges and campaign promises which were made, as referred to by the senior Senator from Pennsylvania [Mr. REED], I call the attention of Republican Members of the Senate to the platform of the Republican National Convention assembled at Chicago on June 13, 1932.

The temporary chairman of the convention, who delivered the keynote speech, was the Senator from Iowa [Mr. DICKINSON]. The permanent chairman of the convention was Representative SNELL, of New York. Representative Wadsworth, of New York, the Secretary of the Treasury, Mr. Ogden L. Mills, of New York, and the little coterie of Republicans from the Atlantic seaboard, who have sought to dominate every Republican National Convention since the Civil War, were much in evidence.

The convention adjourned in 2 days, after hearing the keynote speeches and adopting the platform.

TREATY TERMS AGREED UPON BEFORE REPUBLICAN CONVENTION MET

At the time that convention met President Hoover had before him the final report of the joint board of engineers upon which the pending treaty is based. That report covered in detail all the works, whether for navigation or power development, embodied in the treaty.

The report had been agreed upon April 9, 1932, more than 2 months before the convention met, and the treaty itself had been drafted and submitted to the President, Mr. Hoover.

Is there anybody who wants to dispute that statement? I repeat it for the benefit of the Republicans in this body. At the time when the Republican convention met in the city of Chicago President Hoover had before him the final report of the Joint Board of Engineers upon which the treaty is based.

I should have liked to call the attention of the junior Senator from Illinois [Mr. DIETRICH] specifically to this, but I notice he is not in the Chamber at the present time. The report covered in detail all the works, whether for navigation or power development, embodied in the treaty. The report had been agreed upon April 9, 1932, more than 2 months before the convention met, and the treaty itself had been drafted and submitted to the President.

The platform adopted by the unanimous vote of the Republican National Convention in 1932 contained the following plank:

The Republican Party stands committed to the development of the Great Lakes-St. Lawrence seaway. Under the direction of President Hoover, negotiation of a treaty with Canada for this development is now at a favorable point. Recognizing the inestimable benefits which will accrue to the Nation from placing the ports of the Great Lakes on an ocean base, the party reaffirms allegiance to this great project and pledges its best efforts to secure its early completion.

Will the Senators on the other side of the aisle tell me how they are going to answer to the people of this country for that pledge, made to the people with full knowledge that the President of the United States, Mr. Hoover, had before him the report of all the negotiations, had before him all of the data, and that they themselves, in that platform, pledged themselves to this very treaty?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. The able Senator can go even further. The Republican National Committee sent its representatives into the great Middle Northwest with the specific message that the Republican platform meant what it said, and that Republicans could be depended upon accordingly. I speak feelingly, because I happened to be one of those who went into that area on that mission at the specific request of the Republican National Committee.

Mr. WHEELER. I thank the Senator from Michigan, and I know that what he says is true, because not only were speeches made by men sent there by the national committee, but likewise the Republican newspapers throughout that section carried editorial after editorial seeking to get the voters to cast their ballots for Mr. Hoover upon the statement that Mr. Hoover and the Republican Party were committed to this treaty, and that the platform of the Democratic Party, as a matter of fact, did not contain as favorable a plank, or any plank whatever, upon that subject. But the Democratic candidate for the Presidency of the United States, Mr. Roosevelt, came out at the Chicago convention immediately after he was nominated in favor of this treaty, as I shall point out in a moment or two.

THREE REPUBLICAN PRESIDENTS HELPED NEGOTIATE TREATY

It is now being boldly stated in the public press that Republican Senators from New England and the States on the Atlantic seaboard are ready to furnish the votes to defeat this treaty. It is inconceivable that that report can be true. The completion of the Great Lakes-St. Lawrence project was advocated and promised by President Harding, President Coolidge, and President Hoover, and the first negotiations with Canada, initiated under President Wilson, were carried forward under the three Republican Presidents I have named.

The present Chief Justice of the Supreme Court, Mr. Hughes, conducted many of these negotiations while Secretary of State. Secretary Kellogg, of Minnesota, and Secretary Stimson, of New York, carried those negotiations to a conclusion.

Is there anybody in this Chamber who thinks that the Chief Justice of the United States of America, that Mr. Stimson, or that Mr. Kellogg, betrayed the people of the United States to the power interests of Canada? Is there anybody in this Chamber who thinks that President Hoover betrayed the people of this country to the power interests of Canada?

Will any Republican Senator across the aisle say to me that he feels that this treaty betrays the American people?

If one shall do so, he will accuse his own Presidents, accuse his own Secretaries of State, accuse his own people of betraying the trust reposed in them.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LONG. How about taking a little of the Canadian facts on this subject? The Canadians say that this treaty has killed the Great Lakes-to-the-Gulf waterway forever and means that Canada will never be pestered by the danger of its commerce going down through the Mississippi Valley. That is the opinion in Canada, as I have heretofore said on the floor of the Senate. Are those Canadians just a bunch of ignoramuses? Do they not know anything at all about their own business? If they do not, who does? The people down in Louisiana think this treaty would have that effect, and the Canadians think it would.

Mr. WHEELER. I am not interested in what some Canadian propagandist says about it. I am perfectly willing to take our own Secretaries of State and our own Presidents, regardless of whether they are Democrats or Republicans, and put them alongside some Canadian propagandists.

Mr. LONG. We have had them acting for us before. They were the gentlemen who settled the war debts. That is about all the Secretaries of State can do. They are the men who put us in the condition in which we find ourselves right now. We have been following the treaties they drew ever since they have been ratified. We have ratified every one of them except that embodying the League of Nations, and they have both parties trying to get that ratified, so far as the party leaders are concerned. If the Senator from Montana will point out one case where the United States ever gained anything in a treaty with England, or even was able to collect anything after a treaty, where it was to the advantage of the American people, I will vote for this treaty, if he will show it. If the Senator will even undertake to show where the United States ever gained anything in a conference with England—

Mr. WHEELER. We got something a great many years ago, about 1776.

Mr. LONG. We did not have a conference then.

Mr. WHEELER. We had a treaty afterward, however.

Mr. LONG. No; they just quit. We whipped them. But in 1812 there was a war the Senator knows about, and in 1815 we entered into a treaty, and gave them the territory between the Mississippi River and the Rocky Mountains; and if Andrew Jackson had not whipped Pakenham's army at New Orleans before the Treaty of Ghent got back to the United States, that would have been carried out. It is just like taking candy away from a baby.

Mr. WHEELER. Let me ask the Senator a question. He has been talking a good deal.

Mr. LONG. I beg the Senator's pardon.

Mr. WHEELER. Does the Senator think that President Hoover and his aides betrayed the American people when they negotiated this treaty and assembled the data for it? Does he so think?

Mr. LONG. What does the Senator mean by "betraying" them?

Mr. WHEELER. Just exactly what I said. The Senator is familiar with the English language, and he knows what that term means.

Mr. LONG. I say that it just like taking candy away from a baby, and it always has been. They have never gotten us into one of those conferences over something we had and which they wanted that they did not wind up by taking everything they wanted to get. I am not just talking in my own language. The Senator knows that to be the fact.

Mr. WHEELER. No; the Senator is not going to put words into my mouth. I will do my own talking.

Mr. LONG. Very well.

Mr. NYE. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. NYE. Does the Senator from Montana feel that his challenge to Senators on this side of the Chamber has been answered?

Mr. WHEELER. Of course not. The other side of the Chamber has had to depend upon the Senator from Louisiana to defend them, and when they go out in the next campaign, let me say to them that they had better call upon the Senator from Louisiana to come out and defend them if they vote against this treaty, because they will not be able to do it themselves.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. Do I understand now that the Senator from Montana has gone into holy wedlock with the Senator from North Dakota in upholding one of Mr. Hoover's treaties and Hoover's policies? Has that come about here?

Mr. WHEELER. Let me say to the Senator from Louisiana that the Senator from North Dakota and myself have been accused throughout the Northwest on many occasions of entering into unholy alliance, and I probably will be accused of that many times again, because I hope that the alliance between the Senator from North Dakota and some others of the progressive Republicans and myself will continue.

Mr. LONG. Is not this rather a late date for the Hoover policies to require such sponsorship? [Laughter.]

Mr. WHEELER. It is rather a late date for the Republican Party to have to depend for its defense upon the Senator from Louisiana, and I am glad to see that when he does defend them in this matter he takes a seat on the other side of the Chamber. [Laughter.]

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. VANDENBERG. We are happy to have the Senator from Louisiana on our side of the aisle temporarily, but if he is to be charged against us in respect to his attitude on the treaty, I will have to say, borrowing his—

(At this point Mr. Long took a seat on the Democratic side of the aisle.)

Mr. VANDENBERG. I will continue to say what I was going to say, even though the Senator from Louisiana has somewhat relieved me of the necessity. If we are to be charged with his attitude on this treaty, I shall have to borrow his favorite authority and refer to the Bible, and say that his observations on the treaty remind me of nothing quite so much as the language in the thirteenth verse of the tenth chapter of Ecclesiastes; and I will leave it there. [Laughter.]

Mr. LEWIS and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I still yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the favorite theme song of the Senator from Louisiana in respect to the treaty is to quote Canadians who boast of what a tremendous advantage they have gained over us. I agree with the Senator from Montana that we can well rely upon our own national authorities, and that it is not necessary to cross the line for authority; but if that sort of thing is going to be indulged in, I call the attention of the Senator from Montana to the fact that Quebec's Prime Minister stated in a public interview on January 16:

I do not believe that the plan is in the interest of Canada, but if the majority of the other premiers are in favor of it we will have to bow to their will.

Let me quote Senator Casgrain, speaking in Montreal on January 17, 1934:

The St. Lawrence River seaway project is not only an economic absurdity but also cloaks, under the terms of the treaty now awaiting ratification by Canadian and United States governing bodies, suspected hidden motives on the part of Uncle Sam, which may have as the end in view, ultimate exercise of American jurisdiction over the Canadian territory. * * *

Mr. President, it is to be seen that we have our Senator Longs upon both sides of the international boundary, and I think we had better rely upon our own authorities.

Mr. WHEELER. I thought the British ships were coming up the canal, and they would take Chicago.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. LEWIS. In the first place, I desire to refer to what has just been said by my friend the Senator from Michigan. The Senator from Michigan presumes to refer to Scripture—Isaiah, I believe?

Mr. LONG. Ecclesiastes.

Mr. LEWIS. He does not quote the passage; and I call the attention of the Senator to the fact that Shakespeare reminds us, with respect to such quotations, that—

The devil can cite Scripture for his purpose.

The Senator has called attention to a speech made in Montreal. I know what the speech is to which he refers. He read only a part of it. It is a speech made by a senator of Canada before a club at noontime—either before their Rotary Club or its colleague—in which he not only says that he thinks there is some sinister design but concludes that in view of the vast amount of money they are getting out of the United States for Canada he reverses his opposition and supports the position which previously he had opposed.

Let that be read in connection with the portion of the speech which the Senator from Michigan quoted.

Mr. LONG. Mr. President, will the Senator from Montana yield for the purpose of having a Senator on this side of the aisle say a word?

Mr. WHEELER. I really think the Senator from Louisiana belongs on the other side of the aisle, since he is fighting the ratification of the treaty.

Mr. LONG. Since it is Hoover's treaty, perhaps I do.

Mr. WHEELER. It started out to be Wilson's treaty.

Mr. LONG. Mr. President, they only got the money out of Wilson. Wilson gave them only \$12,000,000,000. Wilson gave them an army and \$12,000,000,000; and our present President is going to give them about another billion dollars, so they will have the advantage of us in that respect.

I desire to ask the Senator from Michigan if he will give the date of the speech from which he quoted, and about which he spoke so volubly.

Mr. VANDENBERG. Some time in January of this year.

Mr. LONG. I had stood on the floor of the Senate prior to that time and pointed out what the treaty meant, and had quoted from Canadian statements and Canadian newspapers; and then, in order to get a little something to pacify just such men as the Senator from Michigan and the Senator from Montana, they got a little clique together, and made a little palaver speech up there to the effect that they were afraid they were liable to get stuck in this matter, and shot the speech down here by air mail, I suppose, to the Senator from Michigan; and of course he held his mouth open, and decided that probably there was something to it. Until we had exposed this iniquity, however—I had almost used another word—until we had exposed what they were doing here, and what they were writing in the editorials appearing in the newspapers in Canada, and that they were about to give a knighthood to the man who had come down here and put this thing across, even going to the extent of saying they had no idea that they were going to get half until we had exposed those editorials, everything was rosy, and it was a marvelous thing.

Permit me also to quote from Scripture for the benefit of the Senator:

Having eyes, see ye not? and having ears, hear ye not? and do ye not remember?

Mr. WHEELER. Let me say to the Senator that in my humble judgment the statements that come from Canada, either for or against this treaty, should have little weight with any Member of the United States Senate. It seems to me it is the height of asininity for someone to get up and quote a Senator or a statesman from the other side of the boundary as to the effect that the treaty is going to have or is not going to have upon the American people. As I

said a moment ago, and I reiterate what I then said, this treaty was advocated by President Harding, by President Coolidge, and by—

Mr. LONG. Mr. President—

Mr. WHEELER. Mr. President, I refuse to yield for a moment—by President Harding, by President Coolidge, by President Hoover, and now by President Roosevelt.

Mr. LONG. Mr. President—

Mr. WHEELER. Just a moment.

Mr. LONG. Was not the World Court also advocated by most of those Presidents?

Mr. WHEELER. I am not going to be led astray to discuss the World Court at this particular time. There is room for some dispute with reference to that question.

The PRESIDING OFFICER (Mr. NEELY in the chair). In behalf of orderly procedure, the Chair invites the attention of the Senate to rule XIX, which, among other things, provides:

No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer.

So long as the present incumbent occupies the chair, that rule will be rigidly enforced.

Mr. WHEELER. The Senator from Illinois asked me a moment ago, as I recall, whether or not the treaty had been signed at the time the Republican convention met. I have pointed out here that at the time the Republican convention met, President Hoover had before him the final report of the joint board of engineers upon which the pending treaty was based. The report covered in detail all the works, whether for navigation or power development, embodied in that treaty. The report had been agreed upon on April 9, 1932, more than 2 months before the convention met, and the treaty itself had been drafted and submitted to the President. The platform adopted by unanimous vote of the Republican convention contained a plank absolutely endorsing the treaty in every detail; and not only that, but let me say for the benefit of the Senator from Illinois that Republican speakers, as the Senator from Michigan [Mr. VANDENBERG] has said, went out into the Northwest and into the Middle West advocating this very plank, knowing the details that were in the treaty at that particular time.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. I desire to ask the Senator from Montana if it is not a fact that at the time the Republican convention met there were differences between the United States members of the Board and the Canadian or British members of the Board, and that those differences were not adjusted until after the convention met?

Mr. WHEELER. That is not my understanding. It is my understanding that there was no difference between them upon any substantial matter.

Mr. DIETERICH. My understanding is as I have stated. I do not want to be quoted as saying that is correct, but it is my understanding.

Mr. WHEELER. My understanding is that the Senator from Illinois is not correct on that point, but that the treaty had been agreed upon in substantial detail at that time and at the time the Republican platform was drafted.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana further yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. My understanding is that the United States engineers were in favor of a one-stage development, while the Canadian engineers were in favor of a two-stage development, and that they never agreed upon the two-stage development, as advocated by the Canadian engineers, until after the Republican convention met and until after the platforms were adopted.

Mr. WHEELER. The platform adopted at the Republican National Convention in 1932 is as follows:

The Republican Party stands committed to the development of the Great Lakes-St. Lawrence seaway. Under the direction of President Hoover negotiation of a treaty with Canada for this development is now at a favorable point. Recognizing the inestimable benefits which will accrue to the Nation from placing the ports of the Great Lakes on an ocean base, the party reaffirms allegiance to this great project and pledges its best efforts to secure its early completion.

At the time that plank was adopted the President had before him the details, and the men who were responsible for that plank at the convention, including Mr. Mills, Mr. Dickinson, and the other leaders of the party, knew, in my judgment, exactly what the details were.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana further yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. When the Republican convention met they understood that in this treaty the division of power was to be in the ratio of about 75 percent for Canada and 25 percent for the United States. Is the Senator informed as to whether or not the Canadian Power Trust contributed anything to the Republican campaign fund?

Mr. WHEELER. Oh, that is so far-fetched a question that the Senator knows perfectly well that I have not any information about it. I do not believe they did anything of the kind, and the Senator himself does not believe they did, with all due deference to the Republican Party.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WHEELER. I yield.

Mr. VANDENBERG. Just one further statement, and then I shall subside. The statement which the Senator from Montana has challenged is no more absurd than the statement that this treaty divides the power in favor of Canada. So far as the power covered by the treaty is concerned, it is divided evenly, and the other power is Canadian power which Canada can develop on her own responsibility and with her own resources at any time when she sees fit, regardless of the treaty.

Mr. WHEELER. I thank the Senator.

Mr. LEWIS. Yes; but the Senator finds himself again in error—

The PRESIDING OFFICER. The Senator from Montana has the floor. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. LEWIS. May I correct my able friend from Michigan? While ostensibly it is true that Canada has all this element described by my friend under the treaty and under the regulation, specifically it is assumed that the power Canada has is to go to the benefit of the United States and that the States along the Atlantic Ocean will enjoy it. But I challenge my able friend from Michigan, than whom there is no man better informed about this treaty, to show where there is any provision whatever that pledges Canada to supply power to the United States of America upon any terms whatever.

Mr. VANDENBERG. I do not think I follow the Senator's question. Canada is under no obligation to furnish her power to anybody over here. So far as the treaty division of power is concerned, it is even.

Mr. LEWIS. As to that we differ.

Mr. WHEELER. Mr. President, I said a moment ago that the present Chief Justice of the Supreme Court, Mr. Hughes, conducted many of these negotiations while he was Secretary of State, as did Secretary Kellogg, of Minnesota, and Secretary Stimson, of New York. If Republican Senators in this body, while conceding in their platform that it will benefit every section of the country, vote against this treaty, with no defense except that which has been made by the Senator from Louisiana [Mr. LONG], that it may divert a few tons of export tonnage from the ports on the fringe of the Atlantic coast, that act will wipe out the last vestige of the Republican Party in the great region from the Pennsylvania line to the Rocky Mountains.

Mr. FESS. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WHEELER. I will be glad to yield.

Mr. FESS. I do not feel inclined to criticize anybody because of not following the platform of his party; neither do I feel justified in criticizing those who take one position at one time and later on change their position. I think obviously there may be reasons for such a change; but having myself, after long study, come to the conclusion that the treaty is justifiable and the construction of the project ought to be prosecuted, without some additional reason of which I did not know at the time I came to that conclusion I cannot now change my view.

I am receiving, as the Senator perhaps knows, letter after letter and resolutions adopted by chambers of commerce in my State, some of them stating, "We originally favored the St. Lawrence waterway, but we now, after further study, have decided that it is not justifiable", and asking me to vote against it. I have received a resolution of that kind from the Chamber of Commerce of Cincinnati; and if the Senator will permit me, I should like to state how I answered it.

Mr. WHEELER. I am very glad to yield further to the Senator.

Mr. FESS. I stated to the chamber of commerce of that city that I had somewhat reluctantly supported the piecemeal efforts to improve the Ohio River until we took up the project of the canalization of the river from its source down to Cairo. Then I voted for it without any hesitancy, and in so voting I was doing what the people of Cincinnati and the people all along the river wanted me to do. It was a navigation project, and the opposition of the railroads to that project was not a sufficient argument to induce me not to vote for it.

I voted also for the Mississippi River project, which was almost purely a flood-control measure. I voted for it without hesitancy, except for the fact that I could not ascertain how much money it would cost to achieve the result which it seemed to me to be so essential, and I did not hesitate very long.

I also voted for the Boulder Canyon project, because of the flood-control aspect which was involved. The opposition of those who did not want the power development, combined with the opposition of those who were opposed to irrigation, which would increase the number of acres of tillable land, did not seem to me to afford sufficient justification for my opposing it. If the flood-control item had not been involved, I probably would have voted against the Boulder Dam bill, but it seemed to me that the fact that 300,000 people in the Imperial Valley were constantly in danger of destruction justified the construction of the Boulder Canyon Dam, and the fact that power would be developed, or irrigation of additional acres made possible, as a secondary feature, was not a sufficient argument to cause me to vote against the project, although I probably would have voted against it as a power and irrigation project alone.

I may say the same thing as to the Columbia River project. That was a reclamation project; navigation was not involved and power was not involved. At this particular time, I do not see that I was justified in favoring that project.

However, coming to the St. Lawrence project, the opposition that comes to me is largely on the ground of its interference with rail transportation. That opposition has always been in evidence against water transportation. Also opposition comes from shippers, including coal operators—and that is a powerful opposition—but that does not justify my refusal to vote for a purely navigation project that will afford an outlet for the people of 23 States who live in a land-locked region and who are required to pay heavy transportation charges.

My answer to my friend in Cincinnati was that, regarding the St. Lawrence River, the only serious objection I had to

it was that it might involve an indefinite outlay of money, and that, while that sum was known to be indefinite, I suspended my judgment and withheld my commitment; but when the Army Engineers, with the record they have made as to the accuracy of their estimates, gave us figures which were not exorbitant at all and showed a cost not anything like that involved in the construction of the Panama Canal, it seemed to me that the one objection I had had been removed. So I announced that I would vote for the St. Lawrence project and that I was going along with President Hoover.

Now I want to ask my friend what position would I be in, having come to this conclusion, not on impulse, not suddenly, but after a thorough study of the facts, if, when President Roosevelt recommends the treaty I should vote against it, while when President Hoover recommended it I advocated it? I could not retain my self-respect. Therefore, I am going to vote for the St. Lawrence project.

Mr. WHEELER. I thank the Senator very much, and I think he is following the only conscientious course that anyone under the circumstances could follow.

Mr. President, I have not always criticized people for not following their party platforms. The reason, however, that I specifically mentioned the matter this afternoon was because the distinguished senior Senator from Pennsylvania [Mr. REED] in a radio speech entitled "The New Deal", attacked the Democratic Party for what he claimed were violations of party pledges. Here is a party pledge made on the part of the Republican Party definitely and specifically, with all the information before it. Appeals were made by the Republican press in the Northwest and in the far West and by speakers upon the platform to the people of my section of the country and all through that region to vote for the Republican Party because it was definitely and specifically committed to the St. Lawrence Waterway Treaty, and criticizing the Democratic Party because it had no specific plank in its platform similar to the one which the Republican Party had adopted. It was only because the candidate for the Presidency on the Democratic ticket, now the President of the United States, Mr. Roosevelt, repeatedly during the campaign in speech after speech in various sections of the country and in radio talks, stated that he was for it, that he was able to hold the votes of many of the people in the Northwest who otherwise would have voted for Mr. Hoover.

So I say that for the eastern Republicans to oppose this treaty on such grounds would be to revive sectionalism in this country in its most vicious form. It would deprive the Republican Party for a generation to come of any pretense of being a national party. It would do an act that would never be forgiven or condoned, even by former members of the Republican Party throughout the great western section of the country.

DEMOCRATS PLEDGED ST. LAWRENCE PROJECT IN 1932

The Democratic Party, let me say, in the last campaign offered pledges for the completion of the Great Lakes-St. Lawrence project no less binding than that contained in the platforms adopted by the Republican Party. President Roosevelt has publicly stated on more than one occasion that through an oversight—that is the language used—that through an oversight the plank he submitted to the Democratic Convention on this subject was not read from the platform when the resolutions were formally adopted.

In his radio address summarizing the platform immediately after the convention, the Democratic nominee specifically included a pledge for the completion of this project among the planks to which he, as the standard bearer of the party, was bound.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CLARK. The Democratic platform did not endorse this particular treaty with its limitation on the diversion of water.

Mr. WHEELER. But, as I pointed out a moment ago, it was the only treaty that could have been in contemplation, because of the facts before President Hoover at that time;

the Commission had made its report to him and the treaty was practically agreed upon.

Mr. CLARK. The provisions of the treaty were not publicly known.

Mr. WHEELER. I am not at all sure as to that.

Mr. CLARK. I will say to the Senator from Montana that there are hundreds of thousands of people in the United States who had always been in favor of the general St. Lawrence seaway project who, immediately the particularly provisions of this treaty became public, announced their opposition to it.

Mr. WHEELER. In his radio address summarizing the platform immediately after the convention, the Democratic nominee specifically included a pledge for the completion of this project among the planks to which he, as the standard bearer of the party, was bound. It was the only treaty that was considered, because at the time the Chicago convention met and 2 months before that time President Hoover had the information in his hands.

Mr. CLARK. The Senator does not undertake to give the impression that there was any binding effect on the Democratic Party because of something that might have been in President Hoover's mind?

Mr. WHEELER. I am convinced that the Republican administration knew it and I am confident likewise that Democratic Members knew it.

Mr. CLARK. If so, they can repeal the provisions of that treaty with remarkable dexterity.

Mr. WHEELER. The treaty was not signed at that time. All the information was in the hands of the President of the United States, Mr. Hoover at that time, and not a single Democrat in the United States, not a candidate for the Senate or for the House, challenged that address of the President of the United States or expressed his dissent from the position taken by the Democratic Party's nominee for the presidency.

Mr. CLARK. Mr. President, if the Senator will yield at that point—

Mr. WHEELER. Certainly.

Mr. CLARK. I should like to say that the Senator is entirely mistaken about that. As soon as the provisions of the treaty became public at all, I, as candidate for the United States Senate on the Democratic ticket, publicly announced that I would vote against the treaty if I was elected.

Mr. WHEELER. I am thankful for that. I did not know it. The Senator is the only man I know of who did publicly announce in his campaign that he was against it.

On July 9, 1932, in the first public statement he issued as the party nominee, Mr. Roosevelt addressed an open letter to President Hoover, urging "the immediate construction of the deep waterway as well as the development of abundant and cheap power", and expressed the hope that the treaty would be ratified as soon as it was formally submitted to the Senate.

In this letter Mr. Roosevelt said:

May I respectfully point out that such action would hasten greatly the initiation of this vast project—one which means cheap transportation by deep waterway for the agricultural products of the West; cheap electricity from the State-owned and controlled resource, to be developed for the primary interest of homes, farms, and industry; and, of immediate importance, employment for thousands of workers. * * * Early and final action on this great public work * * * would be greatly to the public interest. It has already been too long delayed.

It has already been too long delayed, he said. How are Democrats going to stand up in the face of this statement of the President of the United States, and in the face of promises which he made during the campaign, and answer simply by saying that the President has been misinformed?

For months before the Democratic National Convention met at Chicago in 1932 the Power Trust tried to block the nomination of Franklin D. Roosevelt.

The agents of the trust in every State were busy in the primaries and the conventions, trying to elect delegates and get instructions for "favorite sons."

Why did the trust oppose Roosevelt? The whole country understood why. It was because the power and public-utility companies feared the policy of the public-power development the Governor had advocated on the St. Lawrence River in his own State.

Boulder Dam in California was an accomplished fact. The Senator from Nebraska [Mr. NORRIS] had twice put through Congress the bill for completion of the Muscle Shoals plant, and it was foreseen no President could veto that bill a third time. But most of all the power companies of the East, financed by J. P. Morgan & Co., feared this public power project on the St. Lawrence in the midst of the greatest market for electricity in the world. They knew Roosevelt was the leading advocate of that project and they determined to block his nomination for the Presidency.

I attended the convention at Chicago. The influence back of the stubborn effort made there to prevent Roosevelt's nomination was the power and public-utility companies and the great banks allied with the trust. The hotels and lobbies swarmed with their agents who boasted that they controlled enough delegates to prevent Roosevelt from getting a two-thirds majority of that convention.

History is repeating itself. The most servile organs of the Power Trust are saying now that this treaty will be beaten because the President cannot muster a two-thirds majority of this Senate.

At Chicago we beat the Power Trust simply because the Democratic Party could not be intimidated or controlled and because the Democrats who believed in Roosevelt and in the progressive principles he had advocated as Governor fought the issue out in the open and refused to trade or compromise.

SECTIONAL DOMINATION FROM THE EAST REJECTED BY DEMOCRATIC PARTY

One of the arguments used against this treaty is that New York is opposed to it. At the Chicago convention a majority of the New York delegation voted from the first ballot to the last against the nomination of Franklin D. Roosevelt. The delegates from several of the New England States joined with New York.

The rank and file of the delegates in the convention refused to yield to the domination of the Democratic Party by these forces. A clear majority of the 48 States had elected delegates instructed for Roosevelt and that convention repudiated sectionalism and gave the Democratic Party a chance to go before the people on national issues with a standard bearer who had a vision that reached beyond the Atlantic seaboard.

What happened? Roosevelt's first move as the party nominee was the issuing of a public statement reaffirming his demand that the St. Lawrence River be immediately developed for power and navigation. He issued that statement at Hyde Park on July 9 and he repeated it in an address at Portland, Oreg., on September 21, 1932. Not a Democrat in the Nation announced his opposition to the carrying out of that pledge, unless it was the Senator from Missouri [Mr. CLARK].

In the November election Roosevelt carried every State in the Union except Vermont, Maine, Connecticut, Delaware, and Pennsylvania. His determination to ratify this treaty and to carry out the St. Lawrence public power project was as well known before the election as it is now.

Mr. LEWIS. Mr. President, may I call to the attention of my able friend from Montana that he is falling into error through a misconstruction of phraseology? The President at no time in any of his speeches advocated the pending treaty. He advocated that which many thousands and many millions of our people are for, as they were then. He advocated a waterway, that which we all advocate, across the country, but he did not advocate, in any speech to which my able friend has referred, the ratification of the pending treaty in its present phraseology as now presented to the Senate.

Mr. WHEELER. It was generally known what the provisions of the treaty were, because it had been practically agreed upon 2 months before the meeting of the Democratic and Republican conventions in the city of Chicago, and

surely Mr. Roosevelt knew, before he came out and advocated the waterway, what was in the treaty. Before he came out and took a position in favor of the waterway, surely he knew what was in the treaty. Certainly the Senator cannot say that he did not know what was in it, because at that time and after his election he repeatedly advocated and is at the present time advocating this particular treaty with all its provisions. There can be no question that if he had known the identical provisions he would have advocated it at that particular time.

Mr. LEWIS. Mr. President, with the consent of my friend from Montana, I am alluding to the position he has been taking that there was a party platform declaration and that the attitude was that of the President and binding upon his party.

But I invite my friend's attention to the fact that the President never endorsed certain features of the treaty, such as turning over to Canada Lake Michigan as an American lake, nor other provisions in the treaty that would put upon us billions of dollars of expense for the benefit of Canada. I invite my able friend from Montana to note that President Roosevelt, then Governor of New York, addressed a letter to President Hoover protesting as to certain matters within the alleged report in the newspapers as to what the treaty contains as to power.

Mr. WHEELER. Let me call the Senator's attention to a fact. I called attention to a statement made by Mr. Roosevelt and sent to President Hoover to the effect that New York should not stand in the way of this treaty. I called attention to it earlier in the speech which I am making at this time.

In the November election, as I said a moment ago, Roosevelt carried every State in the Union except Vermont, Maine, Connecticut, Delaware, and Pennsylvania. His determination to ratify this treaty and to carry out the St. Lawrence public power project was as well known before the election as it is now. Yet he carried Massachusetts, Rhode Island, New Hampshire, New Jersey, and Maryland, and every other eastern seaboard State save those to which I have referred.

Certainly the people of the State of New York were familiar with Roosevelt's views on the St. Lawrence. He had been pleading for the development of the river for power and navigation for years. The approval by law of this project which he won from the legislature was his outstanding achievement as Governor of the State. Yet the people of New York gave him a majority of 600,000 votes.

Mr. DIETERICH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. As I understand, the Senator now is directing his argument to trying to establish the fact that President Roosevelt's candidacy for President was successful, and he carried these States, by reason of the fact that he advocated the construction of the St. Lawrence waterway, and was in favor of the pending treaty. Is that correct?

Mr. WHEELER. No; that is not correct.

Mr. DIETERICH. Then, I misunderstood the Senator.

Mr. WHEELER. I said he carried all those States, and he advocated this treaty; but he carried all the States from which the greatest opposition to the treaty is coming at the present time.

Mr. DIETERICH. Mr. President, may I call the Senator's attention to the fact that the Democratic platform did not specifically mention this treaty. It stated that the Democratic Party was in favor of waterways. The Republican platform did specifically mention this treaty, and the Republican candidate carried scarcely a State in the Union.

Mr. WHEELER. Yes; I had called that to the attention of the Senate a moment ago; but I also desire to call attention to the fact that the President of the United States, Mr. Roosevelt, came out immediately after the convention and said that he was in favor of the St. Lawrence Waterway Treaty, and that in speeches in Portland, Oreg., and in

Chicago, and in several other speeches throughout the United States, he advocated the ratification of this treaty.

ADMINISTRATION HAS BEEN GENEROUS TO ALL SECTIONS

Of course the President knew, when he sent his message to the Senate, that he would bring down upon his administration the vindictive resistance of the Power Trust and of the eastern trunk-line railroad corporations; but he has the vision and he has the courage to advocate the treaty because of its national benefit to every section. He is pledged to it, just exactly as the Republican Party is pledged to it; and the only difference between the Republican Party and the Democratic Party in this respect is that the Republican Party was more specifically pledged to it than was Mr. Roosevelt or the Democratic Party.

Mr. LONG. And therefore it lost.

Mr. WHEELER. Not at all. The only reason why the President was able to offset the propaganda put out by the Republican Party in the Northwest and in the West was because he came out specifically in his Portland speech stating that he was for this treaty.

Mr. LONG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. With Mr. Hoover representing a party that had pronounced in favor of this treaty, and having made the treaty, I was just wondering why it was, if the people wanted it so badly, that they could have been so ungrateful as practically to repudiate him in those States, and if it would not be a good plan to warn the Republicans—to whom my friend from Montana apparently is devoting about 75 percent of his speech—of the disaster that befell the candidate advocating the treaty on the platform after having made that deal with Canada.

Mr. WHEELER. If the Republican Party should repudiate the pledge they made, it would be a waste of time for them to come out into the Northwest and ask for votes on any platform. I say to the Senator from Louisiana that neither he nor any other man would be able to come out there and rehabilitate the Republican Party if they should violate the pledge they made in their Chicago convention in 1932.

Of course, I appreciate the appeal that the Senator has made in defending the Republican Party today. He has done a magnificent job; but he is the only man on the floor of the Senate today who has had the courage to stand up and defend some members of the Republican Party for their attitude on this question.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana further yield to the Senator from Louisiana?

Mr. WHEELER. I do.

Mr. LONG. I think the Senator entirely misunderstands my position so far as the Republican Party is concerned. First, I have no intention of going to the Northwest to try to rehabilitate the Republican Party, or to the South, either. Second, I was simply saying that inasmuch as the Senator is directing all his remarks to the Republican Party, these gentlemen probably have as good hindsight as they had foresight. Seeing a candidate of the Republican Party make a treaty, and seeing a candidate of that party running on its platform wholly repudiated within the bounds of that territory, certainly there ought to be such a thing as warning. Is there no such thing as a burnt child being afraid of fire in the Republican Party after the kind of repudiation that they received?

Mr. WHEELER. In other words, the Senator thinks the Republican Party ought to go back on the promises they made?

Mr. LONG. The Republican Party ought to say, "We asked the people of that part of the country, 'Do you want this treaty?' Do you want the candidate who made this treaty?" and the people said, 'No; we would not have him on a bet.'" Are not the Republicans to take any notice of that kind of a stand on the part of the people?

Mr. WHEELER. There might have been quite a different story had it not been for the fact that the present President of the United States took a very definite and positive stand with reference to this very question in several of his speeches throughout the Northwest.

Mr. LONG. Will the Senator yield further?

Mr. WHEELER. I yield.

Mr. LONG. If the Senator will be fair with us, I think he will find that there was a great deal more of a Mother Hubbard character about the expression of our candidate than there was about the Republican platform. Almost anything could be read into the President's statement, because when he made it no treaty had been made, as I understand.

Mr. WHEELER. Oh, yes; all the facts were in the hands of the Democratic candidate for President of the United States. The Commission had practically agreed upon all the details of the facts at the particular time he made his speech at Portland, Oreg., and I have no doubt that he was entirely familiar with every detail of the matter.

The Tennessee River is today being developed for power, navigation, and flood control primarily for the benefit of the Southeast. About \$100,000,000 has been allocated under the Public Works Administration for the development of the Mississippi River and its tributaries. The Fort Peck Dam has been authorized on the Missouri River to control and improve navigation on that mighty stream. Boulder Dam is being completed on the Colorado River for the benefit of the great Southwest. The Bonneville power project and the Grand Coulee development have been authorized for the benefit of the Northwest.

THE ST. LAWRENCE IS THE PRESIDENT'S PROJECT

Here is a project, embodied in the pending treaty, which was initiated and made possible by the efforts in his own State of Franklin D. Roosevelt while serving as Governor, and which will benefit not only the people of his own State, but 45,000,000 living in the area tributary to the Great Lakes. If the President is entitled to support on any issue, certainly this development in his own State heads the list.

Here is a project in the President's own State that has been very close to his heart for a great number of years, that he has been fighting for and urging upon the people of the United States for the benefit of his own State, and yet some of the Members of the Senate are going to turn down a project in which he has been vitally interested and for which he has been fighting for a number of years because they say Lake Michigan will become a Canadian lake, to which, of course, I cannot subscribe.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. I am inclined to think that my friend from Montana, who always tries to be accurate and usually is, made a statement that was a little too broad.

I do not understand that Mr. Roosevelt has committed himself at any time definitely and precisely to the terms of this particular treaty. We have here two Senators from the State of New York who are deeply interested in their State, and who now are seeking to carry out the wishes of the people of their State as they understand them. Both of them have given a great deal of attention to the questions involved in the treaty. That President Roosevelt and the Senators referred to have favored a treaty that would produce power is undoubtedly true; but these Senators believe, and others are of the opinion, that this treaty contains provisions that are inimical to the State of New York as a State, and to its sovereign rights, and disadvantageous to the best interests of the American people. I am not now indicating my approval of the treaty, but only wanted to point out that representatives of the State are opposed to the treaty.

If the Senator will pardon me still further, personally, I desire to say the States control the waterways within their borders, or contiguous to their borders, where they have interests therein, not only for the advantages which might be derived indirectly but for the advantages which would be

derived from the production of power. I should like to see the States derive revenues from power developed by them, or under their direction, in order that the burden of taxation might be lifted from homes and real estate; and any measure that would injure any State by depriving it of the benefits to be derived from the utilization of streams passing through or along the same, and which would deprive them of the benefits that might result from the development of power and the revenues derived therefrom, I should oppose the same.

Mr. NORRIS. Mr. President—

Mr. WHEELER. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to call the attention of the Senator from Montana to the fact that this treaty, as I see it, does just exactly what the Senator from Utah says any treaty ought to do in protection of the rights of the States with regard to power. Specifically, it gives all of the power to the State of New York. That is what the Senator was contending in speaking of the interests of the State of New York, that they ought to have the power; and in this particular case every kilowatt of power is given to the State of New York.

Mr. WHEELER. Let me correct the Senator from Utah by saying that the President of the United States is not only in favor of a treaty but he is in favor of this particular treaty, and desires to see this particular treaty ratified.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. I am not sure that I understood the Senator. I did not mean to say, and I did not say, that President Roosevelt was not in favor of a treaty with Canada. I stated that he was. I did state that I did not understand that he was definitely committed by the platform to this particular treaty. I interpolate that.

Mr. WHEELER. Not at all; but he is definitely committed to this treaty at this time, if I understand the English language, as is evidenced by the messages which have been sent to the Senate. Not only that, but let me say to the Senate that, as I have repeated again and again on this floor, the Republican Party was committed to this particular treaty in their platform; and then the present President of the United States, with that information in mind and with the knowledge, as he must have had it, that the commissioners had practically agreed upon the details of the treaty, came out in his Portland speech advocating this waterway project.

Mr. DUFFY. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. DUFFY. My information is that the details as to what was contained in the treaty became public knowledge on or about July 18, and certainly it was after that time that the radio talks and other speeches were made by then Governor Roosevelt in his political tour, in which he committed the Democratic Party upon this subject. There could have been no other treaty in contemplation and no other terms except those contained in the pending treaty. It seems to me, if the Senator will permit, that it is rather a specious argument to try to draw a distinction, certainly after that date.

Mr. WHEELER. I thank the Senator. As I stated a moment ago, here is a project embodied in the pending treaty which was initiated and made possible by the efforts of Governor Roosevelt in his own State.

If the Democratic Party, with 60 votes in this Chamber, should supply the margin necessary for the rejection of this treaty, no Senator who participated in that effort could go back to his constituents as a friend and supporter of this administration. How could he claim that on one of the chief policies of President Roosevelt he had upheld and supported him by his vote in this body?

For 4 years as Governor of New York Franklin D. Roosevelt fought through one session of a hostile legislature after another to prevent the power resources of the St. Lawrence River from falling into the hands of the Aluminum Co., the Dupont interests, the General Electric, and other combinations dominated by J. P. Morgan & Co., which constitute the Power Trust in the East.

PROGRESSIVES SUPPORT THE PRESIDENT ON PUBLIC POWER RECORD

It was his valiant and successful fight against these interests which won for Franklin D. Roosevelt the support of progressives of both parties throughout the West and resulted in his nomination and election to the Presidency. I say in the presence of the distinguished Senator from Nebraska [Mr. NORRIS] that Mr. Roosevelt won the confidence and support of that Senator, and the millions of progressive Republicans and independents who followed him primarily because of his record on this issue, which endeared him also to the rank and file of Democrats throughout the country.

By the same token, the party, or the faction, or the pretended leaders of any group in this Chamber, who provide the votes to reject this treaty will have to flout the overwhelming sentiment of the Nation, and place that responsibility upon the party, or group, or faction which they represent.

OPPONENTS CHARGE CONSPIRACY WITH A FOREIGN NATION

I have listened with amazement to many of the statements which have been made here, apparently in the effort to befuddle and confuse the minds of Senators as to the basic facts of cost, maintenance, capacity, and the simplest matters regarding the physical characteristics of the project provided by the treaty. If we are to accept some of these statements as true, this treaty is nothing better than a bold conspiracy to betray the interests of this country to a foreign nation and to lay waste our Atlantic seaboard for the benefit of Canadian ports.

Indeed, one Senator in his opening speech against the treaty seriously contended that the opening of this great natural highway to the profitable exchange of goods with ports on the Atlantic, Gulf, and Pacific coasts and with the markets of the world, would close every factory in the Middle West.

He went on to state that the removal of existing obstacles to navigation would provide a channel through which British battleships might invade our country and bombard Detroit, Cleveland, Milwaukee, and the other Great Lakes ports which have so long pleaded with the Federal Government to complete this seaway.

The Senator made this statement soon after putting forth the contention that the waterway was utterly inadequate to permit use by ocean-going vessels, implying that only barges and shallow craft could navigate the depth of 27 feet provided from Duluth to the sea.

CONFUSED CHARGES OF ENEMIES OF TREATY ANSWERED BY THOMAS J. WALSH

In this maze of misinformation, uncertainty, and confusion in which the opponents of this treaty have enveloped themselves, it is refreshing to turn to the statement of one who will not be charged with lack of experience with this problem or want of devotion to his country and its service.

I have heard no better description of the character and effect of the project provided by the treaty than the following epitome of its terms:

Under the treaty the cost of the improvement is to be borne equally by Canada and the United States, each country to receive credit for expenditures made toward the end sought, a channel of 27 feet depth * * *.

From motives of economy, the works to be installed will serve not only the purpose of navigation but the development of electrical energy as well, to the amount in the international section in which the contracting parties share equally of 2,200,000 horsepower.

The State of New York claims to be entitled to one half of the power developed in that section of the river, and your committee is of the opinion that it should be accorded the same upon the payment of so much of the total cost of the improvement therein as is justly allocatable to power development * * *. New funds required of this country will amount to \$257,992,000 (hearings, p. 11), including the sums to be provided by the State of New York on account of power, which the engineers of that State and those of the War Department have agreed should be \$89,000,000 * * *.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. WHEELER. Let me finish this quotation.

The figures given are all based on unit costs used in the 1927 report of the joint board * * *. The opinion is confidently

expressed that were the work undertaken at once it could be accomplished at a very substantial sum less than the estimate. The part of the work now being prosecuted in the neighborhood of Detroit under the supervision of Colonel Markham, in charge of river and harbor work in that district, is costing less than the estimates by from 25 to 50 percent * * *.

The enterprise is in the very strictest sense national in its scope. It would be to take an unjustifiably narrow view of it to consider it as of concern only to those States whose traffic passes through commercial centers on the Great Lakes. Governor Goodrich spoke of the reasonable probability of lumber and canned fruit, among other products, going from the Pacific coast by the all-water route to the land-locked interior, a region that is now laboring under a heavy handicap in competition in consequence of the opening of the Panama Canal route * * *.

New England is not without a very direct interest in the project. A map submitted to the committee showing the region within which the power to be developed in the St. Lawrence can be economically transmitted indicated that Boston and Portland, Me., are within the area that may be served. * * *. The products of the Northwest would, as shown by indubitable testimony before the subcommittee, go in enormous quantities by the water route to New England, and its products, manufactured and unmanufactured, go westward in like manner. * * *.

Whatever loss may ensue (to Atlantic ports) will be more than compensated by the betterment of conditions through the new waterway in the vast hinterland upon whose welfare their prosperity so vitally depends. In other words, they will share in the benefits of any great national development such as that under consideration. * * *. To view the project provincially is to disregard the intelligent self-interest of the communities of which such ports are the center.

That statement was the last public utterance of my former colleague in this body, Senator Thomas J. Walsh. He had given years of study to this project and its effect, not only upon the State of Montana and the great Northwest but upon all the sections of the Union, to which his service in the Senate was devoted.

Now I yield to the Senator from Illinois.

Mr. LEWIS. I want to say to the able Senator from Montana, now speaking, that he previously alluded to the fact that in the debate which opened the opposition to the treaty one Senator had referred to the intimations of disaster to the United States in the event of a conflict by virtue of turning over to the British Empire the proposed waterway. I beg my able friend to amend his speech, and, instead of saying "one Senator" please refer to the Senator specifically. It was myself. The senior Senator from Illinois, Mr. LEWIS, said that, but Mr. LEWIS did not say or use the word "battleships." He referred specifically to the prospect of danger to the country from the use of such agencies as the British Empire could employ in the waters in our country when she owned them, and I now call the attention of my able friend to the fact that in the late debate on the naval construction bill the Senator from Utah [Mr. KING] brought the attention of the Senate to the vast number of small cruisers being built, particularly those in Britain, the small cruisers which are ostensibly used for commercial ships but are so made that they can be at once converted in aid of the navy in warfare. Therefore I would have my able friend understand that I do not wish any mask, I do not wish any disguise, I do not wish to be exempt from complete and full responsibility for the utterances I gave, as I expect to repeat them in many places besides this honorable body.

Mr. WHEELER. I have no doubt that the Senator will repeat them, but I hope that no man in the Senate will be influenced in his vote by the belief that Great Britain might send some warships up this channel and destroy the various ports. If she could do that, then certainly there is not a seaport on the Atlantic coast that is safe from destruction by Great Britain.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. NORRIS. The Senator ought to add, I think, that if that is true when these little boats are being built over there we had better shut off the Mississippi River, because they will come sailing up the Mississippi River and destroy all the cities along that stream.

Mr. WHEELER. Of course; they will destroy St. Louis, and New Orleans, and Chicago, all of the cities along that stream.

Mr. LEWIS. Oh, no—

Mr. LONG. Mr. President—

The PRESIDING OFFICER. The Senator from Montana has the floor, and he is entitled to have his rights protected. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield to the Senator from Louisiana for a question, though I should like to finish my remarks.

Mr. LONG. Apropos of what my friend the Senator from Nebraska said, that we might better shut off the Mississippi River, I wish to tell the Senator from Nebraska that the British thought of that before he did, and that is what this treaty does. It cuts off the Mississippi River. It provides for internationalization of Lake Michigan, as the Canadians have very properly said, so that we cannot have a navigable Mississippi River. So it may be that is what they had in mind in this treaty.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Nebraska?

Mr. WHEELER. I yield.

Mr. NORRIS. We have a navigable Mississippi River now, and it may be that all the cities along the river are destroyed this very minute. I am not sure about that. It may be that the Senator from Louisiana will find that he has no home to go to when he leaves here.

Mr. WHEELER. We certainly had better not do anything further for the Mississippi River.

Mr. NORRIS. No.

Mr. WHEELER. Because I am sure that if we enlarge the channel and deepen it the British will certainly send their battleships up the river and will destroy New Orleans and St. Louis and the other big cities on the river.

Mr. NORRIS. They are now building the battleships in England.

Mr. WHEELER. Yes; as the Senator from Nebraska says, they are building them now for that very purpose.

Mr. LONG. Well, go ahead.

Mr. WHEELER. Mr. President, on February 23, 1933, as the last act of his long public life, in the final days of his service in this body, Senator Walsh obtained a majority report from the Committee on Foreign Relations recommending the ratification of this treaty by a vote of 9 to 2. This is the same treaty which has been condemned here as a betrayal of American interests and a profligate waste of public funds.

NEW YORK CITY AND CHICAGO COUNSEL FOR THE WHEAT FARMER

I do not rest my vote for this treaty upon its benefits alone to the State of Montana. But, since the Senator from New York [Mr. COPELAND] and the Senator from Illinois [Mr. LEWIS] have undertaken to prove that they understand our problem better than the wheat farmers of the Northwest, I wish to touch upon one phase of the seaway.

The Senator from New York, where little or no wheat is raised for export, said the seaway would injure rather than benefit the wheat farmer. The Senator from Illinois, where wheat is consumed rather than produced, made a similar statement. He said after the wheat was shipped from Montana or the Dakotas to the lake head by rail all the savings in transportation by water to Liverpool or Atlantic ports would be lost. That was the basis for his conclusion that it would, therefore, be a good thing to compel the western farmer to continue to ship the entire distance to seaboard by rail or to reload his products and imports from barges to sea-going vessels in addition to the rail haul.

ENGINEERS SHOW SAVINGS ON WHEAT ALONE WILL AMORTIZE COST OF PROJECT

In the report of the Corps of Engineers submitted to the Senate by the President this absurd argument is disposed of.

Wheat produced in Montana was traced from Helena, Mont. by rail to Duluth, and thence to the markets at Liverpool. This study shows that from Helena to New Orleans, by way of Minneapolis, the present rail cost per ton is \$11.86, and the actual vessel cost from New Orleans to Liverpool is \$2.93 per ton, making a total of \$14.79 per ton, by the present route.

To ship the same wheat, after the seaway is completed, it is shown that the cost by rail from Helena, Mont., to Duluth,

plus the cost from Duluth to Liverpool, would be \$11.70 per ton, or an indicated net saving per ton of \$3.09.

On the basis of the wheat production for export of this region in a single normal year, it is shown that the transportation saving would amount to \$8,089,620, or within about \$1,000,000 of the amount necessary to maintain, operate, and completely amortize the Great Lakes-St. Lawrence project in a period of 50 years.

CHEAP POWER FOR THE EAST—CHEAP NAVIGATION FOR THE WEST

I will freely concede that when any project is proposed here that involves one community in a single State, the views of the Senators from that State, on account of their familiarity with conditions, are usually entitled to greater weight than the opinions of Senators from other States.

I am willing to apply that principle to the pending treaty. What is the situation here? This project provides for a public power project in one State—the State of New York—and for a navigation project that affords cheap transportation for the bulk products and imports of 18 States.

Where do the Senators from New York stand on the only phase of this project that directly concerns New York? They have stated repeatedly that they favor the public power project on the St. Lawrence. In campaign after campaign in New York they have stood on the same platform with Smith, Roosevelt, and Lehman urging the development of the St. Lawrence in order to provide cheap electricity for the benefit of their constituents.

PUBLIC POWER PROJECT BLOCKED IF TREATY FAILS

Everyone recognizes that that power cannot be developed without a treaty with Canada. The President stated it in his message. Both Senators from New York have conceded it to be true. New York cannot get cheap electricity without a treaty for the development of the St. Lawrence, and it is in the International Rapids section of that river in New York that we find the bottle-neck obstruction that blocks off 18 States in the Great Lakes area from deep-water navigation and direct access to the sea.

The Senators from New York have declared again and again the power development on the St. Lawrence will benefit the people of their State. I agree with them.

"But", they say, "You Senators from Wisconsin, Indiana, Ohio, Michigan, and the great Northwest do not know what is good for you as respects navigation. Some of our railroad and port interests in New York fear that traffic will be diverted from our ports if you are permitted the same access to salt water which we enjoy today on the Atlantic seaboard."

It is true no one has yet been able to show any sound basis for such a fear. It is true the President, a native New Yorker, has denied it and submitted a report showing it will help rather than injure our ports. Nevertheless, we are afraid of the navigation project and we are opposed to it since we are not sure we will get the major benefits from it. We strongly favor the power project, and we concede both the navigation and power can be provided more cheaply if both jobs are done simultaneously and the dams are built for these dual purposes. But since we are afraid New York won't get the major benefits of both we will give up cheap electricity and you Senators from the West can not have cheap navigation.

That is, in substance, the argument that has been made.

Was a more preposterous proposition ever offered to the Members of this body? Against that position I place the statement of another New Yorker—the President:

This great project involves two objectives of equal importance, and cannot in public justice accomplish one without the other. I am deeply interested in the immediate construction of the deep waterway, as well as in the development of abundant and cheap power. * * * This project * * * means cheap transportation by deep waterway for the agricultural and other products of the West; cheap electricity for the State owned and controlled resource, to be developed for the primary interest of homes, farms, and industries; and, of immediate importance, employment for thousands of workers. * * * It has already been too long delayed.

And in his message on this treaty the President said:

I call your attention to the simple fact that Canada alone can, if desired, build locks at the Lachine Rapids and at the international sector, and thus provide a seaway wholly within Canadian control without treaty participation by the United States. * * *

I want to make it very clear that this great international highway for shipping is without any question going to be completed in the near future and that this completion should be carried out by both nations instead of by one.

I am sending you herewith a summary of data prepared at my request by governmental agencies. This summary, in its relation to the economic aspects of the seaway, shows from the broad national point of view, first, that commerce and transportation will be greatly benefited and, secondly, local fears of economic harm to special localities or to special interests are grossly exaggerated. It is, I believe, a historic fact that every great improvement directed to better commercial communications, * * * have all been subjected to opposition on the part of local interests which conjure up imaginary fears and fail to realize that improved transportation results in increased commerce benefiting directly or indirectly all sections.

For example, I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work; that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation. * * *

Here is the President of the United States speaking upon the subject, having given it more careful attention than any man in this body; who has been familiar with it, not this year, not last year, but who has studied it personally for a period of 6 or 7 years, both as Governor and as the President of the United States. He said:

* * * As you know, I have advocated the development of four great power areas in the United States, each to serve as a yardstick and each to be controlled by government or governmental agencies. * * * The St. Lawrence development in the Northeast calls for action. This river is a source of incomparably cheap power located in proximity to a great industrial and rural market and within transmission distance of millions of domestic consumers. * * *

Power in the international sector of the St. Lawrence cannot be developed without a treaty between the United States and Canada. On the other hand, Canada can develop a huge block of new power at the two other rapids which lie wholly within Canadian territory. Here again, as in the case of navigation, it is better in every way that we should maintain the historic principle of accord with Canada in the mutual development of the two nations.

That states the practical condition that exists, the sound principle and the broad national ground upon which Members of this body of both parties can safely rest their votes for ratification of this treaty.

Mr. President, I apologize to the Senate for having taken so long a time in the discussion of this subject, but I conclude by repeating what I said a moment ago, that I feel that no man in the Senate is so well grounded in the economics of this proposition, is so familiar with the facts in the case, as is the President, and I hope the treaty will be ratified.

Mr. KING obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield for just a moment?

Mr. KING. I yield.

Mr. McNARY. I promised to suggest the absence of a quorum at the conclusion of the speech of the Senator from Montana.

Mr. KING. I merely wish to speak for a few moments, and then I will yield to the Senator.

Mr. McNARY. Very well.

Mr. PITTMAN. Mr. President—

Mr. KING. I yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I desire to give notice that, as soon as I may obtain the floor tomorrow morning, I intend to discuss one feature of the pending treaty, and I believe that I will be in a position at that time to prove, by incontrovertible evidence, that the development of navigation on the Mississippi River and its tributaries is not dependent in any way whatever upon the Great Lakes, and never has been, and never has been considered to be so dependent. Later on I intend to take up the question of sovereignty, which I do not consider to be such a controversial question, for I think most lawyers admit that that question is not involved. I also intend to demonstrate, as I believe I can, that the railroads will not be injured by the adoption of the St. Lawrence waterway project, and cer-

tainly the employees of the railroads will in no way be affected by it.

Mr. President, I ask unanimous consent that a statement by a group of distinguished mayors who are now visiting our city may be published in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., February 8, 1934.

DEAR SENATOR: We present to you herewith copy of a petition from the mayors of Great Lakes Basin communities, appealing to the Senate to ratify the pending Great Lakes-St. Lawrence Deep Waterway Treaty.

We respectfully ask your consideration of this appeal and your favorable action so that these cities and countless others not on the immediate water front may have the economic freedom to which they are entitled, but of which they are now deprived, due to navigation obstacles in the present waterway.

We consider it to be imperative to the future welfare of our people and our cities that the pending treaty be ratified and the seaway completed at the earliest possible moment. Our cities have direct investments in port facilities, and their success depends on the efficiency of a complete and modern waterway to the ocean.

We sincerely trust that the treaty will receive your support so that our Great Lakes Basin may have a healthy interchange of business with the peoples of all other sections of our country and the rest of the world.

Very truly yours,

GREAT LAKES HARBORS ASSOCIATION,
D. W. HOAN, President.

PETITION OF GREAT LAKES CITIES TO THE UNITED STATES SENATE ASKING
RATIFICATION OF ST. LAWRENCE TREATY

FEBRUARY 8, 1934.

To the Senate of the United States:

We, the undersigned mayors of American cities in the littoral of the Great Lakes, urge the immediate ratification of the pending Great Lakes-St. Lawrence Deep Waterway Treaty so that construction of the seaway may be started at once as a part of the very necessary Federal Public Works program.

No other Public Works project has been proposed which insures such vast benefits to the entire Nation. Construction of the seaway will give employment to countless thousands immediately, and its completion will add a new coastline of approximately 3,500 miles. It will permit our citizens in the great industrial and consuming centers of the Great Lakes to exchange products with the Atlantic, Gulf, and Pacific ports in the coastal and inter-coastal traffic which comprises more than 80 percent of the ocean shipping of the United States.

The opening of our home markets by this means to the full enjoyment of all sections alike is the key to national recovery. It will stimulate the growth of new industry which will absorb labor and raw materials, create new rail tonnage which will give added employment to railroad workers, revive domestic commerce and open up rich markets to the shipping and industry of our Nation.

A 27-foot channel entirely adequate for ocean cargo ships today exists throughout the length of the Great Lakes and the St. Lawrence River, save only for the deepening of the connecting channels.

The seaway is thus already more than 90 percent complete. The pending treaty merely provides for finishing the balance of less than 10 percent—the removal of obstacles to ocean navigation which today block our access to the sea and deprive 45,000,000 American citizens of their birthright.

The construction of the Panama Canal, 2,500 miles from the National Capital, conferred inestimable transportation benefits upon the Atlantic, Gulf, and Pacific coasts. The Middle West did not share in these benefits. In fact, we suffered a decided injury. Our condition can be improved—and should be—by the removal of the obstacles to navigation which today block off the fourth seacoast of the United States.

The communities we represent have always given sympathetic aid and support to the development of all other waterways. We have adhered, year in and year out, to the broad national principle that useful and necessary public works should be given generous support, not upon local or sectional grounds but for the ultimate benefit to the entire Nation.

We refuse to believe that we have been wrong in giving our cooperation. But we are becoming alarmed at the actions of sectional groups who upon unsound grounds are endeavoring to deprive us of the seaway which means our future economic freedom.

Our representatives in Congress have cooperated in voting the total now fast approaching the \$2,000,000,000 mark—already expended, allocated, or recommended—for water transportation throughout the Nation. The Great Lakes and St. Lawrence River have received only 10 percent of this sum, although this area furnishes approximately 90 percent of the ton-mileage of the Nation's inland water-borne commerce.

We ask your good offices so that our great country may obtain the great benefits of the seaway. We ask you to remove the obstacles which now hinder the Middle West and penalize 45,000,000 of our citizens.

We pray you to see to it that the Great Lakes-St. Lawrence Seaway Treaty is ratified at an early date.
Respectfully submitted.

H. L. Gokey, Alexandria Bay, N.Y.; E. W. Coons, Antwerp, N.Y.; James C. Lantry, Brasher, N.Y.; John Bird, Canton, N.Y.; John T. Gormley, Carthage, N.Y.; C. J. Thompson, Clayton, N.Y.; E. H. Valle, Gouverneur, N.Y.; Howard M. Thompson, Madrid, N.Y.; Ralph J. Cardinal, Malone, N.Y.; T. S. Bushnell, Massena, N.Y.; Fred E. Worden, Morristown, N.Y.; William Brown, Norfolk, N.Y.; L. R. Donovan, Norwood, N.Y.; Ralph Morrisette, Ogdensburg, N.Y.; I. H. Kendall, Potsdam, N.Y.; Norris Phells, Sackets Harbor, N.Y.; Leon Gibson, Stockholm, N.Y.; Frank L. Murphy, Waddington, N.Y.; John B. Harris, Watertown, N.Y.; Harry L. Davis, Cleveland, Ohio; W. H. Vanoster, Elyria, Ohio; John O. Rendrick, Fairport, Ohio; E. A. Braun, Lorain, Ohio; F. E. Thompson, Sr., Maumee, Ohio; George J. Schade, Sandusky, Ohio; R. L. J. Wagar, city manager, Sandusky, Ohio; Solon T. Klotz, Toledo, Ohio; S. J. Miller, La Porte, Ind.; Harry B. Tuthill, Michigan City, Ind.; H. Lee Pocklington, Algonac, Mich.; L. S. See, Charlevoix, Mich.; Frank Couzens, Detroit, Mich.; Martin J. Cain, Cheboygan, Mich.; C. J. Sawyer, Escanaba, Mich.; Peter Peterson, Gladstone, Mich.; W. J. Engle, Harbor Beach, Mich.; N. Ray Markland, Highland Park, Mich.; A. P. Zirkaloso, Lincoln Park, Mich.; H. L. Hill, Manistee, Mich.; D. A. Knaggs, Monroe, Mich.; W. W. Richards, Muskegon, Mich.; D. Charles Levinson, Petoskey, Mich.; Arthur L. Valade, River Rouge, Mich.; C. B. Wing, St. Ignace, Mich.; E. L. Thirlby, Traverse City, Mich.; William R. Teifer, Trenton, Mich.; H. H. Heidemann, Algoma, Wis.; John Goodland, Jr., Appleton, Wis.; J. M. Dodd, Ashland, Wis.; Albert J. Rosenthal, Fond du Lac, Wis.; H. C. Laughlin, Kenosha, Wis.; M. Georgenson, Manitowoc, Wis.; Richard P. Murray, Marinette, Wis.; Daniel W. Hoan, Milwaukee, Wis.; George E. Sane, Neenah, Wis.; Donald MacQueen, Oconto, Wis.; George F. Oaks, Oshkosh, Wis.; A. F. Kruke, Port Washington, Wis.; William J. Swoboda, Racine, Wis.; Willard M. Sonnenberg, Sheboygan, Wis.; Fred A. Baxter, Superior, Wis.; S. F. Snively, Duluth, Minn.

Mr. LEWIS. I desire to announce, Mr. President, following the announcement of the able Chairman of the Foreign Relations Committee [Mr. PITTMAN], that he will address the Senate tomorrow upon the treaty and in support thereof; that on Monday next, following the addresses that may be delivered by others already announced, I shall assume the liberty of replying to the speech of my eminent friend, the Chairman of the Committee on Foreign Relations.

NOMINATION OF D. D. MOORE—CHANGE IN AGREEMENT

Mr. BARKLEY. Mr. President, on yesterday a unanimous-consent agreement was entered into to consider the nomination of Mr. D. D. Moore, to be collector of internal revenue for Louisiana, on the 16th of March. I ask unanimous consent that that date be changed to the 23d of March.

The PRESIDING OFFICER (Mr. McKellar in the chair). Is there objection? The Chair hears none, and it is so ordered.

INCLUSION OF CATTLE AS A BASIC INDUSTRY

The Senate resumed the consideration of the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

Mr. CONNALLY. Mr. President, since announcements seem to be in order, I wish to announce that I hope to get a vote on the so-called "cattle bill." [Laughter.]

The PRESIDING OFFICER. The Chair also hopes it may be done.

Mr. KING. The Chair is supposed to be nonpartisan.

Mr. CONNALLY. I should like to ask the Senator from Oregon at this point if he would entertain a request to fix a time to vote on the so-called "cattle bill"?

The PRESIDING OFFICER. The Chair, in his capacity as a Senator, will suggest that we proceed until the pending bill shall have been passed. There are two other bills of very great importance which are to follow right after the pending measure, and it is necessary for them to be acted upon.

Mr. KING. I do not think that it is the function of the Chair to suggest the course of legislation.

Mr. CONNALLY. Let me suggest to the Chair that the trouble about his suggestion is we do not seem to be able to

proceed. The Senator from Texas is perfectly willing to proceed. I want to inquire of the Senator from Oregon if he would have any objection to an agreement to take a vote on the cattle bill tomorrow?

Mr. McNARY. Mr. President, I had hoped that we could adjourn this evening until Monday, so that we might have Friday and Saturday for office work.

Mr. CONNALLY. That would be entirely agreeable to me, and I should like to vote tonight if we can adjourn over until Monday.

Mr. KING. May I say to my friend from Texas and to my friend from Oregon that I am advised that, in addition to the peanut amendment, a number of Senators intend to offer other amendments, to include rye, flax, and other commodities. There are many agricultural and other commodities produced in the United States, and I understand that we are to make this blanket as broad as the productive capacity of the United States. So I do not see any chance now of getting an agreement.

Mr. SHIPSTEAD. Mr. President, in view of the amendments that are to be offered, I am confident that we cannot finish this bill tonight. There are some very important amendments to be offered, which will undoubtedly lead to considerable debate.

Mr. KING. I was prompted to make the statement I made a moment ago by reason of information which has been conveyed to me, which is just corroborated by the Senator from Minnesota and by statements made to me by the distinguished Senator from North Dakota [Mr. FRAZIER], who states that requests will be made that a number of commodities be included within the boundaries of this bill which has now descended to the peanut stage.

Mr. CONNALLY. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. KING. I do not yield now for that purpose. I desire to make a few observations, and then I will yield.

NAVAL CONSTRUCTION

Mr. KING. Mr. President, I shall take but a few minutes for the purpose of calling the attention of the Senate to a dispatch which appears in this afternoon's edition of the News which, by the way, is very alert in securing news of importance to the public.

When the naval construction bill was under discussion I stated—and similar statements were made by other Senators—that if we passed the so-called "Vinson Navy bill", the object of which was to authorize an appropriation of no one knows how much, perhaps a billion or a billion and a half dollars, there would be immediate repercussions among various nations of the world, nations that would be glad to materially reduce both naval and land armaments, and whose course would be influenced, if not determined, by the military program and policies of the United States. It was obvious that if the United States authorized the expenditure of the stupendous sum called for by the Vinson bill they would immediately feel compelled to revise their budgets so as to provide larger appropriations for the construction of additional war vessels.

So we find, Mr. President, immediately following the action of the Senate of the United States, the following telegram coming from Tokio:

Admiral Mineo Osumi, Minister of Marine, announced today that because of the \$750,000,000 Vinson Navy bill, passed by the United States Senate Tuesday, Japan must build additional warships.

His announcement seemed concrete evidence that Japan did not intend after next year to accept the 5-5-3 ratio of the expiring naval treaties.

Osumi said that at the end of 1939 Japan would have slightly over 60 percent of ships as compared to the United States.

He cited tonnage figures as of that time on the basis of present programs as Japan 735,063, United States 1,135,240. That gives Japan 65 percent as many ships as the United States instead of the present treaty ratio of 60 percent, even without the building program he said would be necessary.

Osumi estimated that at the end of 1939, on the basis of programs, the United States would have 195 ships, Japan, 150. He classified the projected number of larger ships as:

Battleships—United States 15; Japan 9.
 Aircraft carriers—United States 6; Japan 6.
 Cruisers (8-inch guns)—United States 18; Japan 12.
 Cruisers (6-inch guns)—United States 19; Japan 19.
 Destroyers—United States 97; Japan 69.
 Submarines—United States 40; Japan 35.

Following the Tokio dispatch the News contains this additional statement:

The day the Vinson bill passed the Senate, 65 to 18, Great Britain announced that she would increase her fleet. Previously the French had indicated the same projected course.

With the definite assurance of Japanese expansion, which had been expected, the "big navy" groups throughout the world have precipitated a naval armament race that bids fair to exceed anything previously known in the world's history.

Mr. President, this is an ominous statement, but we ought to have realized that, with the naval program which we were projecting and demanding should be carried out, ministerial declarations of the character emanating from Japan would inevitably result. We cannot authorize naval construction costing a billion or more dollars immediately following a naval bill appropriating for the ordinary expenses of the Navy for the ensuing year over \$300,000,000, without arousing fears and apprehensions upon the part of other nations.

The United States Senate, Mr. President, in my opinion, committed a grave blunder in passing the Vinson bill. We know that at the expiration of the period fixed in the Washington Treaty there is to be a naval conference unless the signatories to the treaty avail themselves of the provision which continues in force the treaty for a further period of 2 years. Instead of waiting until the treaty expires, and opportunity is afforded the governments signing the same to confer with the view of reducing naval armaments, our Government by this measure commits itself to the expenditure of hundreds of millions of dollars for additional ships of war. We should wait for the treaty to terminate, and in the meantime exert the powerful influence of the United States to secure an agreement among nations to bring about important reductions in military and naval armaments.

It follows as the night follows the day, when the most powerful nation in the world, with the greatest resources, appropriates or authorizes the appropriation of a billion or more dollars for naval expansion and naval development, that other nations not so favorably situated financially or otherwise will inquire as to the reason for such important naval activities upon the part of the United States, and fear will be engendered in their minds that notwithstanding the avowals of our desire for world peace, there lurks behind peaceful words sinister purposes affecting other nations. It is natural that huge military expenditures by any nation will occasion fear, apprehension, perhaps animosity, and lead other nations to increase their military expenditures.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. KING. I yield.

Mr. SHIPSTEAD. The Senator will remember that at London when we agreed to the London Treaty and later when it was ratified by the Senate, we put our stamp of approval on it. We had an opportunity to disagree to this increase in armament. It was very clear at the time we ratified that treaty that the next logical step would be to spend a billion dollars to increase our Navy. In view of that fact, it seems that to call another conference may have the result the London Conference had, of increasing the Navy another billion dollars, and selling it to the country in the name of peace and disarmament, as the London Treaty was sold.

Mr. KING. Mr. President, I do not wish to discuss at this time the conduct of any government at the Conference to which the Senator refers; but, as the Senator knows, and as I have put in the RECORD on two occasions, at that Conference representations were made, either in plenary session or in preliminary discussions, that Great Britain was ready to reduce naval armaments and would favor the ultimate abolition of battleships. Great Britain was ready then and there by treaty to prolong the life of battleships to 30 years

and also to add to the length of life of other naval craft. Our Government declined to discuss anything but cruisers.

Mr. President, we waived or repulsed the opportunity for entering upon a program which in my opinion would have led to material reduction in naval armaments. Not only did Great Britain, speaking through MacDonald, indicate a desire for a reduction of armament but France indicated that she was willing to abolish battleships and submarines. Signor Grandhi, upon a former occasion as well as then, indicated that Italy was willing to enter into treaty relations for a reduction of the naval armaments of the world.

I call attention again, as I have upon previous occasions, to the attitude of Soviet Russia. We have been critical of the Bolshevik regime, but Russia, in one of the preliminary conferences as well as at the Geneva Conference, submitted a concrete proposal which in effect was that it was willing to abolish all naval craft as well as all land armaments. What was the result? The Soviet representatives, Litvinoff, was treated with derision by representatives of Christian nations.

Can it be possible that this Soviet Government, which we have criticized and, indeed, at times denounced because of its declared purposes to introduce bolshevism into this and other countries, and because of what we consider its anti-social and antireligious declarations, shall now carry the torch throughout the world for the limitation of armament and for the ultimate abolition of the weapons of human destruction? It would be a strange situation if Christian nations, professing to follow the cross of Christ, should abdicate their high mission and surrender to a government, the leaders of which avow their opposition to all forms of religion and to all forms of capitalistic governments, the task of bringing about world disarmament.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. KING. I yield.

Mr. SHIPSTEAD. The Senator's very apt remarks, while they may be ironical, remind me of the man who found a community of Christians who were always quarreling among themselves. He said, "If those people were only heathens, they could live together like Christians." [Laughter.]

Mr. KING. Mr. President, I do not wish to pursue the thought any further. I rose only to challenge attention to the statements made by the two able Senators from North Dakota [Mr. FRAZIER and Mr. NYE], as well as one or two other Senators, in the discussion of the naval construction bill, to the effect that the passage of the Vinson so-called "preparedness bill" would provoke legislation upon the part of other nations and lead to enormous appropriations by them, the result of which then would be developed a mad competitive naval race that would burden the peoples of other lands and add to the already overwhelming burdens that are breaking the backs of the American people.

Mr. WALSH. Mr. President, I ask to have published in the RECORD at this point a statement from the Washington News of March 3, 1934, in reference to France's attitude toward disarmament. Let it be noted that this publication was of March 3, and the vote in the Senate was not had until March 6.

The headline is as follows:

France inaugurates new defense plans as holiday lapses. Agreement with Italy terminates as Paris decides to build more air, sea units.

There follows a statement of the French program in building up its new Navy.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington News, Mar. 3, 1934]

FRANCE INAUGURATES NEW DEFENSE PLANS AS HOLIDAY LAPSES—AGREEMENT WITH ITALY TERMINATES AS PARIS DECIDES TO BUILD MORE AIR, SEA UNITS

By United Press

PARIS.—France, terminating its 1-year naval holiday with Italy, embarked today on a defense program that showed clearly its despair of a disarmament agreement.

The program envisages (1) construction of a battleship-cruiser, a destroyer and two submarines, (2) expenditure of 3,000,000,000 francs (\$197,490,000) on an air expansion program, (3) continuation of construction of frontier and coastal fortifications that will hem the country within a steel and concrete wall believed capable of holding the strongest artillery.

Mr. KING. Mr. President, permit me to add by way of supplement to the statement of the Senator from Massachusetts that the Vinson bill was under discussion for a long time in the House, hearings were had upon it, and it passed the House before the date of the newspaper item which the Senator has just placed in the RECORD.

RECIPROCAL TARIFF TREATIES

Mr. HATFIELD. Mr. President, the subject which is all-absorbing to American industry today, and especially so to the industries which this week in Washington have been notified that no longer are they free agents but henceforth are controlled by governmental dictum, is the question whether the Senate of the United States will abdicate its constitutional powers in treaty making, placing in the hands of the President the sole power to control the prosperity or failure of 95 percent of all American industry.

The subject of reciprocal trade treaties, upon which hearings are now being held before the Ways and Means Committee, will, I assume, be the subject of considerable discussion on this floor in the near future.

As one who believes that we can do more for Americans through legislation which insures the American market for the products of American labor, American industry, and American agriculture, it is my hope to participate in the discussion of this question when it comes before the Senate.

Strange as it may seem and despite the great importance of this subject to American employers of labor, apparently their troubles have been so multiplied by the administration of the N.R.A. that they have either been unable to focus their attention upon this question or perhaps they have been lulled to sleep by the promises which so often have failed of fulfillment.

However, it was with considerable pleasure yesterday that I read in the New York Times of a presentation on this question from the viewpoint of labor, and I have succeeded in obtaining a copy of that presentation. I desire first to have incorporated in the RECORD as a part of my remarks an address delivered by Hon. Matthew Woll dealing with the subject of the tariff as viewed by labor.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

(The following presentation was made at the hearing of the Commission of Inquiry on National Policy in International Economic Relations on Tuesday afternoon, Mar. 6, at the Bar Association, New York City.)

OUR TARIFF AND EARLY POLICY AS VIEWED BY LABOR

(By Matthew Woll, vice president American Federation of Labor, chairman America's Wage Earners' Protective Conference, president the Union Labor Life Insurance Co.)

Our old national economic objectives were modeled largely upon those of Old England, which was a mother country for ships, for colonists, for traders; which gathered raw materials from the ends of the earth, turned these into manufactured goods, first for her own rather limited range of buying power and then for the expanding world market. Developing the first great factories of the world, she needed more food and fabrics than her own soil produced. She became a great free-trading nation. Her obligations were imposed upon the ends of the earth, and she was creditor to all of them. Export was the life of her labor, her market, her world policy. With a total population of Great Britain and Ireland of 46,000,000, her total foreign trade in 1929 amounted to over £2,000,000,000. That would be about \$1,000 of foreign trade for each family. Applied to this country, that would mean a total foreign trade of approximately \$30,000,000,000. The people of Great Britain cannot live at their level of civilization on any other terms than those of a foreign trade measured in some such amount and proportions. And for that trade Great Britain has been fighting increasingly during the last 15 years, not only with the old European industrial nations and with the United States, but also, and to an increasing degree, with her own colonial domains and with the awakening industrial set-ups of the Asiatic peoples, including Japan, China, and India. This explains in great part the tightening of the Britisher's financial and industrial belt since the World War, the increasing unemployment, and the necessity for what has been called the "dole."

Quite different have been the factors entering into the American side of the economic problem since the World War closed. At the peak of the war market, when we were emptying our laps of all

imaginable commodities into the hungry places of the earth, our total foreign trade, exports and imports, went a little over \$9,000,000,000, and in the following first year of peace we increased this to only a little over \$13,000,000,000. That was an average of about \$700 per American family of the total foreign trade in 1920. This dropped to about half that volume in succeeding years, and only in the peak years of 1928 and 1929 did it climb even to a total foreign trade of \$10,000,000,000. But our production capacity, set at the rate which produced for the feeding and furnishing of a world at war, could now find no adequate outlet. Plenty—more than plenty—floods of plenty, now stared us in the face, within our own shores. We did not know what to do with it. For a while we gave it away in billions of dollars. In the years from 1915 to 1920 our total excess of exports over imports amount to more than \$15,000,000,000. In the 10 years following we gave away another \$7,000,000,000. The total excess of imports from 1911 to 1930 was almost \$26,000,000,000. But the flood of wheat, of steel, of meat, and of cotton still piled up on our shores, while the dwindling army of labor found it more and more difficult to maintain its loosening handhold upon the means of living.

We had opened the floodgates of production to meet a world demand. And when the gates were closed in our faces we almost strangled in the swirling depths of wealth.

Here was presented a problem so unheard-of, so different from anything the world had ever seen, that all our old charts and maps, all our adages of wisdom and doctrines of thrift, served only to confuse and confound the wisdom of our wisest men. We could not believe the all-too-evident meaning of the phenomenon. Our own people were more and more idle, more and more homeless and wandering, more and more hungry and unclothed. And we had millions of bales of cotton, hundreds of millions of bushels of wheat, and tons upon thousands of tons of meat and lard. And the world did not want it all, finally, unless we continued to give it away. What is to be said in explanation of all this?

Before 1914 nations were content to rely on other countries for things which could be produced better and cheaper abroad. During the war the Central Powers, ringed by fire and steel, turned to self-containment. England and France, threatened with starvation by the submarine, learned the fear of economic strangulation. Thus the world became honeycombed into trade-tight economic departments. Tariffs, import quotas, domestic substitutes, and other trade barriers or subsidies are symptoms of a universal fear of the imminence of war. They are the ultramodern bulwarks of national defense. The quicker we realize and recognize that, the more competent we shall be to deal with this world development.

Incidentally we will also be well advised not to delude ourselves in the thought that a development of our foreign trade will tend toward ending the period of depression. It will be better if we shape our home economic policy without making further vain sacrifices at the expense of our people.

During the war we mobilized agriculture and industry. Labor-saving machinery was only one of the many expedients. Engrossed in production we neglected the problem of distribution, especially the equally distributing buying power throughout our population. Instead we entered an era, not of "overproduction" as a correlative to "underconsumption", but in the development of excess productive capacity.

There are those who hold that it is impossible to restore economic equilibrium to the United States while the rest of the world is either in the throes of internal disruption or upon the verge of bankruptcy and that, therefore, economic as well as political isolation are more and more an anachronism. It is they who are most vociferous in their declamations that the cure for the present depression and for unemployment is the development of the export market.

Our attention is constantly directed to the estimated loss of \$2,000,000,000 a year due to our reduced foreign trade. Varying and conflicting statements are prescribed as to the number of workers that would be reemployed, if exports were encouraged. But what are the facts?

In 1929 the Ways and Means Committee of the Congress issued a report showing that there were some 45,000,000 American workers gainfully employed and interested in or affected by tariff legislation. This report also made it very clear that there were but some 600,000 industrial workers actually employed in peak times in producing manufactured goods for export.

The United States Tariff Commission, in a report recently sent to the United States Senate, states: "The number of factory workers engaged in producing articles for export fell from about 658,000 in 1929 (the peak year) to 364,000 in 1931, a decrease, in round numbers, of 300,000."

After referring to the total number of persons engaged in industrial and agricultural production for export employed in 1929 who were unemployed in 1931, the Tariff Commission further states: "The aggregate decrease in employment resulting from the reduction in all exports (both agricultural and manufacturing) between 1929 and 1931 was, therefore, in the neighborhood of 500,000."

In other words, the Tariff Commission's investigation indicated in effect that if our exports were increased to the amount having prevailed before 1929, but 500,000 would be reemployed in both industry and agriculture. This represents less than 4 percent of our industrial workers who have been unemployed. Wage earners of America may therefore be rightly alarmed at the urgency of the proposal made to increase our exports, when it is self-apparent that increased exports must necessarily be accompanied by an

increase of imports and therefore a consequent and perhaps greater loss of domestic employment due to an enhanced foreign competition in our home market.

Workers are also aware of the fact that our manufactured goods for export are produced mainly in mechanized mass-production factories operated by concerns known for their indifference or hostility to labor, and where labor costs are relatively small. The report of the Tariff Commission evidences that of the 294,000 industrial workers employed in 1929 in production of manufactured goods for export who were unemployed in 1931, 175,000, or 48 percent, were formerly employed in the production of metals, machinery, and automobiles. I need not dwell on the type of working conditions or the wages paid to these workers. The employers in the class just referred to are conspicuous for their evasion, if not denial, of the right of workers to organize and to bargain collectively—industrial relations made mandatory under the N.R.A.

Then, too, we read considerable about the necessity of exporting wheat, cotton, and tobacco. Little, if any, emphasis, is laid upon the beneficial and protective legislation which has secured to the American farmer complete control of the richest market in the world—America—with its nearly 50,000,000 consuming industrial workers and their families.

Government figures for 1932 evidence that there are only two products of which we export 50 percent or more of our yearly production. The census figures show that, of \$650,000,000 worth of cotton raised in 1932, we exported some \$345,000,000 worth. The same figures show that, of the \$110,000,000 worth of tobacco raised, we exported \$65,000,000 worth. Of the \$370,000,000 worth of fruits and nuts we produced we exported \$77,000,000 worth, and of the \$254,000,000 worth of wheat produced we exported some \$50,000,000 worth. If we eliminate these four items from our calculations, we find that of the billions of dollars' worth of farm products which we produce yearly, we export but a fraction of 1 percent of the balance.

Theorists who are advising the American people today what legislation is essential for our success and recovery from the depression overlook or disregard the fact that, since 1920, millions, billions of bushels of wheat are raised yearly in Canada, Rumania, Russia, and other European countries at prices which make it almost impossible for our American-raised wheat to compete.

If it be argued that it is possible for American-raised wheat to compete in the world markets, why, then, is it essential to maintain a tariff of 42 cents per bushel on foreign-raised wheat which might otherwise seek entry into the American market? Possibly it may be said that in view of the small amount of imports of wheat that the tariff rate quoted is but a political gesture to the American farmers. If such claim be urged, then why was it necessary for the Tariff Commission to find, after a public hearing and after a full investigation and with the approval of the President, an increase in the duty on imports of wheat of from 30 cents to 42 cents per bushel was essential? (Such increase was made effective Apr. 6, 1924.)

That which is true of wheat is also true of corn. Why is it necessary to retain a tariff duty of 15 cents per bushel on imports of corn? Seventy percent of the world's corn crop is produced in the United States. Yet unless the American farmer had this protection of 15 cents per bushel it would be possible for imports of corn from Argentina to be delivered in the rich markets along the Atlantic, Pacific, and Gulf coasts at prices which would force down the price now received by the corn raisers of the Western States.

The tobacco raisers were not forgotten by the Congress when tariff legislation was under consideration. It is true that we export about 50 percent of our yearly production of tobaccos. In order to insure the American market for the products of American tobacco raisers, Congress imposed tariff rates which amount to more than three times the export value per pound of our exports for the year 1932.

That which is true of wheat, corn, and tobacco is also true to a much greater extent of other favors shown the American farmers in the framing of tariff legislation in recent years.

America's industrial workers have never appeared before Congress or before the Tariff Commission seeking reduction in tariff rates or in opposition to other legislation which is considered beneficial to the farmers of our country. We realize that the American farmer is to a great extent the purchaser of the products of American labor.

A careful examination of the reports of the Tariff Commission to the United States Senate reveals the interesting fact that an average increased purchasing power of 12 percent to America's industrial workers during the past 10 years would have equalled in purchasing and consuming power the total value of our average exports during that period. With the possible exception of cotton, of which we export 50 percent of what we produce, all of the other exports could be consumed by America's industrial workers had they the purchasing power to do so.

The carrying out of the suggestion that all tariff duties be eliminated on those articles of which we export more than we import must be of particular interest to America's farmers. In effect this will mean that the American farmer will lose as much as will American industrial workers. Some of the articles which now carry high import duties of which we export larger quantities than we import, are pork products, and of these we export 40 times more than we import, but which carry a protective tariff duty in the interest of American farmers. Lard, of which we export 600,000,000 pounds and import none, has a tariff duty equal to half the export pound value. Due to import taxes, we export

50 times more milk than we import. Shall we continue this recital?

Facts and figures clearly indicate that farmers will lose the purchasing value of hundreds of thousands of industrial workers employed in the production of all types of machinery, petroleum, and metals—all of which we export in greater quantities than we import. If we are to remove these taxes, which procedure is being urged by those insistent upon a new tariff policy, then the American market will be flooded with products of foreign workers produced at total landed cost much less than actual American costs of production. Is it necessary to dwell upon the resultant and demoralizing consequences?

The exigencies of the Recovery Act have focused more and more attention upon the proposal of arriving at reciprocal agreements whereby detailed and selected concessions are made in return for similar ones. These agreements are sought through bilateral treaty negotiations rather than multilateral arrangements. To date only one such treaty has been signed. Colombia has agreed to certain concessions on American goods in return for our promise to retain coffee and bananas on the free list. While this treaty has been signed it must, of course, receive the required legislative ratification before it goes into effect.

This policy of reaching reciprocal agreements is one which may not be inconsistent with the Recovery Act. By a studied selection a number of commodities can be found which are not produced in important quantities in the United States and which are regularly supplied in considerable quantities by foreign countries. Similarly, we ship certain articles to other countries without competing with important domestic industries within their borders. In this field, though greatly limited, trade may be fostered without injury to domestic industries of the contracting States. Indeed, the furthering of reciprocal trade treaties is not a new or untried proposal. Congress on a previous occasion did propose reciprocal trade treaties based upon a bargaining flexibility of 20 percent of then prevailing tariff duties. However, the experiment failed of any substantial results.

What is now proposed is not alone the authorization of the President to enter into reciprocal trade treaties based on a bargaining flexibility of 50 percent of the present tariff duties, either upward or downward, but the consummation of such treaties without previous hearing to domestic parties and interests affected and without the necessity of approval by Congress. Thus it is proposed, first and foremost, to alter our constitutional division of power by having Congress abdicate its duty and responsibility under the Constitution to approve or disapprove treaties entered into with other nations with respect to trade relations.

Is America prepared to take this step? Are we willing that hereafter exclusive control over our imports or exports shall rest solely with the President? It is, of course, argued that with imports and exports of European and Asiatic nations largely a matter of exclusive government control, to be exercised not through parliamentary channels but by order in council and like methods, that we can no longer trust such matters to our Congress. Are we ready to admit, as well as accept, the doctrine that democracy in international relations has failed and that the logic and force of events in Europe and Asia will compel us to alter our form of government and of institutions within its borders?

If it be the judgment that for practical efficiency Congress must no longer be trusted with joint treaty-making power in the matter of trade relations, why ought not sole authority be delegated to the President in dealing with agreements relating to international public debts, disarmament, and the like? Are we not thus hastening a time when power to be exercised by the President will be greater than the power of former kings, czars, and emperors?

Labor has implicit confidence in the present incumbent of the Presidency of the United States and has implicit faith and confidence in his humanitarian instinct and in his desire to maintain and hold secure our democratic ideals, ideas, and institutions. We are confident he is actuated solely by a desire to get our people and our institutions out of the terrible chaos into which we had drifted. But labor is without knowledge of the certainties of life and who may succeed him or when. In addition, powers of government should not be granted because of faith in any one individual temporarily in authority. Power once delegated is difficult to limit, regulate, or annul. Are we not thus building a dangerous structure for the future, even if it be confined to reciprocal trade treaties? Who knows what the future has in store and to what end we are building a permanent structure on the basis of meeting an emergency by devices of expediency?

Then, too, it must be clear that the motive underlying is to promote foreign trade by holding forth bargaining opportunities to foreign manufacturers in the American market. This involves not alone a change of principle that has been the foundation stone of our foreign-trade policy—the protection of home industries and safeguarding of the home markets, but it likewise raises the issue of American capital invested abroad being granted the opportunity of competing in our home market free from all the restraints, limitations, regulations, and requirements demanded at home under our taxing laws, N.R.A. requirements, and other legislative provisions.

Prior to the World War, America was one of the few Nations possessing high-powered machine production plants. Today the industrial nations of Europe and Asia have adopted American methods and means of production. Indeed, one nation in Asia is possessed of the most modern of industrial equipment. In addition, a number of the highly modernized plants in foreign countries are either owned or were financed by American surplus wealth

and American skill. Those foreign American-owned plants are today, in part, supplying the world markets, thus precluding to that extent possible export trade on our part. Indeed, in a number of instances they have invaded our domestic market with the product of their foreign factories to the distinctive loss of employment of American workers.

The rapid development of American-owned and controlled foreign plants may be attributed to the selfish spirit of gain, to restrictive legislation on the part of other nationals, the subsidizing of industry by foreign nationals, and the fact that in other lands the wages received are considerably lower and working hours considerably longer than those that prevail in our own land. The lower cost of production and of distribution abroad may therefore be fairly assigned as one of the principal causes for this movement of American capital abroad.

Labor has always viewed the transfer of American capital to other lands with great apprehension. It has realized that as a result we have had an ever-increasing pressure on the part of this capital to destroy the barriers which safeguard American standards of life and work. American labor has not been without experience in feeling the loss of employment opportunities through this process of the internationalization of American capital.

It is a tragic commentary upon the lack of our industrial foresight, which permits foreign nationals and domestic, as well as foreign private, interests to acquire a monopolistic sales control throughout our Nation by our patent laws and yet not require a single commodity entering into that production to be carried on in our land.

Many years ago we established a national policy for the protection of the employment opportunities of America's industrial workers by restricting the entry into our country of the overflow of workers from European and Asiatic countries. We also set forth a national policy, subscribed to by both political parties, that tariff rates would be imposed which would equalize the difference in cost of production of manufactured articles.

President Roosevelt, some 9 months ago, inaugurated the National Industrial Recovery Act, which has sought to reduce unemployment among the ten or eleven millions of unemployed industrial workers by reducing the daily and weekly hours of labor. He has just urged that industry reduce the work hours to less than 40 hours per week and increase wages so that a real enlarged purchasing power would not only start the wheels of industry everywhere, but absorb the nine millions as yet admitted to be without employment.

Is it possible that those who favor entering into reciprocal-tariff treaties with foreign nations expect that those nations, where weekly hours exceeding 50 and 60 per week are not uncommon, are going to permit Americans to dictate to them what legislation or laws they shall enact for their people?

Unless this can be done is it reasonable to suppose the products of American industries, with America's industrial workers producing for not more than 30 or 35 or even 40 hours per week, with wages which will permit of their retaining the American standards of living, can compete in the American market with products of foreign countries?

Unless it is intended to scrap the N.I.R.A. and force America's industrial workers to compete on an almost equal footing with the low-wage workers of Europe and Asia, then is no possible benefit to accrue from the fundamental change of government and new tariff policy proposed and involved.

In venturing into and applying the method of process of trade treaties with foreign governments, it is essential that workers should have an opportunity to be heard. It is equally important that participation of labor, as at present made possible and available, through an appeal to Congress and through direct representation on the Tariff Commission, should in no way be lessened, but be increased.

Labor realizes that unfortunate delays are encountered in the present method of adjusting tariff rates through the Tariff Commission with the approval of the President. However, we believe much of the unnecessary delay is due entirely to restrictive rules and requirements of law which could and should be corrected so as to permit the rendering of decisions in a shorter space of time.

One of the causes for delay on the part of the Tariff Commission is the necessity, under the present rules, to make investigations in foreign countries. Several foreign nations resent our investigators seeking information. In other cases, due to the limited appropriations at the disposal of the Tariff Commission, conditions have so changed by the time the investigation is concluded and a decision reached, that the industry in question has been irreparably injured.

That is not said in criticism of the personnel or the work of the Tariff Commission. Indeed, situations referred to are due solely to a procedure made mandatory by law. Many workers believe that great good would come by freeing the Tariff Commission of restrictive rules now in force. Certainly that method should be tried before any other procedure is followed and which may result in great apprehension, confusion, and doubt.

America's workers are also aware of the fact that our present tariff policy confers the greatest benefits upon those countries, especially the Asiatics, where labor conditions are the most repressive and intolerable. American labor favors a tariff policy wherein imports will be valued on the basis of the value of the imported article in the United States—a policy better known as the "American valuation"—and not upon the depreciated as well as manipulated values of foreign countries.

Many foreign countries have monopolized industries. More are doing so. Soviet Russia has monopolized all industry and agriculture. Its government is the sole producer and distributor of all things. Japan and other nations have monopolized the match industry of their country. They prevent the entry into their countries of matches made in America. Japan, also, holds the world-wide monopoly on natural camphor. Germany holds a monopoly on many chemicals. These are but a few of many illustrations.

Indeed, the tendency toward State or national control of imports as well as exports is rapidly increasing, and to such an alarming extent that the question may well be raised as to whether or not reciprocal trade treaties do encourage and strengthen foreign cartels and trusts and as against our national attempt to prevent monopolization at home.

As against all these urgencies for increased export trade, reciprocal trade treaties and other devices urged to that end, America's wage earners raise the more important issue of enlarging our domestic purchasing power and of increasing and protecting our home markets.

Government statistics clearly indicate that more than 93 percent of the products of American labor and American agriculture are consumed in America. While this is an average figure of all commodities and include such important commodities as cotton, which is widely exported, it does indicate how great a domestic market we have in our own free-trade area. This great American consumption of American goods is largely due to the high standards of life and work which prevail in our country and have been established in the main through the untiring efforts of American organized labor. Our present problem is rather that of extending this home consuming power in view of the constant losses which our producers of cotton, wheat, lumber, and other products have suffered and will increasingly suffer in the world markets by reason of a constantly growing competition from other nations.

There is little hope of recovery of our lost foreign trade whether or not there is a change of political and governmental attitudes which have been or hereafter may be assumed on questions of foreign debts, tariff duties, allotment of domestic content, patent laws, and other devices used to regulate international as well as domestic trade and commerce.

Regardless of how we balance advantages and disadvantages, the fact remains that the foreign market is not so desirable as the home market—either for capital or for labor. Goods exported must be sold at world prices in competition with goods produced by poorly paid, pauper, and even forced labor—and the certain result of large exports is always that labor of the chief exporting countries, such as England and Germany, is forced to accept lower wages in order to be able to compete effectively in the foreign market. In other words, the predominance of the foreign over the home market totally destroys the benefits of the protection of labor. What the Nation needs and is beginning to know it needs, is not great economic dependence upon the foreign market, but exactly the opposite—greater economic independence.

Labor's interest in tariff legislation and the proper administration of our customs laws is solely for the purpose of assuring opportunities of employment for American workers at fair wages. To assure American workers of an opportunity of employment at fair wages it is essential that we maintain an American protective tariff policy and avoid the dangers of entangling alliances with nations abroad.

Mr. HATFIELD. Mr. President, I now ask permission to have printed as a part of my remarks a newspaper clipping on the subject, taken from the New York Journal of Commerce of March 8, which contains news that I know will be read with considerable interest by many of the Democratic members of the Finance Committee.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce, Mar. 8, 1934]

COALITION IN SENATE ORGANIZING TO BLOCK PRESIDENT ON TARIFF—HOUSE INQUIRY OPENS TODAY WITH PLAN FOR BRIEF HEARING AND VERY SPEEDY PASSAGE—HARRISON, KING, GEORGE, WALSH, THOMAS PROTEST—CONNALLY ALSO OPPOSES STEP—AMTORG BID REPORTED FOR COTTON CONDITIONED ON CREDIT AID

By Clarence L. Linz

WASHINGTON, March 7.—Creation of a new tariff bloc in the Senate, antagonistic to the administration's tariff program, of proportions comparable to that which logrolled high duties into the present law, may lead to an earnest plea to the President not to insist upon this legislation at the present session of Congress.

With the House Ways and Means Committee inaugurating brief public hearings tomorrow, with the evident intent of House Democratic leaders to secure passage of the Doughton bill within the next fortnight or so, Senate Democratic leaders propose to test sentiment in the Senate on giving the President the broad powers he asks.

REVOLT IN MAKING

From such casual inquiries as have thus far been made it appears that not only will there be desertions from the Democratic ranks but that a majority of the progressives will go along with the regular Republicans in opposition to the legislation.

The leaders foresee the possibility that the Senate will write into the legislation all sorts of prohibitions, and even may write increases of rates now in the Hawley-Smoot Act. Of course, the effort would be made to eliminate these through Senate-House conference action, but that might bring about a deadlock which would keep Congress in session well into the summer.

It was indicated in informed circles today that the President would favor adjournment of the Congress about May 15, hardly regarded possible if the tariff and war debts are to be injected into the agenda of the Senate.

Individual Senators are endeavoring to acquaint themselves with the proposal, its antecedents, and its future effect, receiving many letters of inquiry from constituents who want to know what will be the basis of the proposed bargaining for trade.

WIDE INTEREST SHOWN

Great interest is shown in the plan before the commercial policy committee, an interdepartmental group in the Government, which contemplates classification of all industries in the United States into six groups for consideration in the awarding or withholding of tariff protection.

Tentatively, Friday, March 16, has been fixed as the date for the holding of a Senate Democratic conference for the consideration of both the tariff and the revenue bill. At this session a program of action will be worked out.

The authority to be vested in the President, as asked for by Mr. Roosevelt, transcends that which is at present conferred upon him by the Hawley-Smoot law in the flexible-tariff provisions. These latter were vigorously opposed by a group of Democrats on the ground that the proposal "strikes at the very roots of constitutional government." The protest was signed by Senator PAT HARRISON (Democrat), Mississippi, now Chairman of the Senate Finance Committee, and who is to pilot the administration's measure through the Senate, and Democratic Senators KING, Utah; GEORGE, Georgia; WALSH, Massachusetts; BARKLEY, Kentucky; THOMAS, Oklahoma; and CONNALLY, Texas.

OPPOSITION IS VOICED

"Whatever could be advanced during the war and immediately following for delegation of the taxing power to the Executive unquestionably no longer exists", this group said, "in the hope of arousing the people, regardless of party, to take a broad and public view of this important public question" to the end that the flexible provisions might be abandoned.

"To incorporate in the law any recognition of a right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

"Authority to the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government for which the independence of the country was attained and which was secured permanently in the Constitution.

"There is no issue here as to the integrity of any Executive who has had or may have extended to him the exercise of this power. The issue is one of taxation by one official, be he President or monarch, in contrast to taxation by the representatives of the people elected, intrusted exclusively with the power to seize the property of the citizen through taxation.

SECRET ACTION HIT

"The principle is", they continued: "Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible Representatives of the people in Congress, where public debate is held and a public record made of each official's conduct?"

"The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. * * * An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake, any trading or logrolling is especially unjustifiable and indefensible."

In conclusion, it was given as their "solemn judgment that hereafter all taxation through the tariff and regulation of commerce thereby will be made by the President."

OUT TO STIFLE ISSUE

"It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress, where it is such an embarrassing business, as everybody knows, to the party that profits politically by it."

It is learned that there will be a real effort on the part of some Senators so to amend the legislation as specifically to provide that its provisions shall not be applicable to the products of agriculture, the forests, or the mines.

Western Senators were relieved today upon learning through the National Lumber Manufacturers' Association that official Russian advices declare the Russian Government does not consider the United States a large potential market for its lumber, but rather as one of its main competitors.

The administration, it is said, has been seeking to develop what commodities might be favored by tariff-rate reductions to permit of the piling up of a trade balance here that would enable Russia to buy more American goods.

FARRELL REPORT CITED

This program for additional trade, dealt with in a report from the National Foreign Trade Council by James A. Farrell, stirred great interest locally.

"Any exceptional arrangement with Russia that diverts trade in particular commodities from other countries must in the end prove disadvantageous for the United States", he said.

"Our objections to the Ottawa trade agreements were based largely on this artificial diversion of trade from the United States. Viewed from this standpoint, fundamentally there is no essential difference between trade agreements of this kind based on barter and a trade agreement that introduces the quota system."

It was learned here today that Peter Bogdanov, chairman of Amtorg, has entered proposals for the purchase of 500,000 bales of American cotton, conditioned upon a grant of credit by the Export-Import Bank. The matter apparently is under consideration by the directorate of the bank, of which George N. Peek is the head.

INCLUSION OF CATTLE AS A BASIC INDUSTRY

The Senate resumed the consideration of the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Virginia [Mr. BYRD].

Mr. CONNALLY. Mr. President, I am willing to have a vote, but if we cannot have a vote at this time I wish to discuss the question briefly.

Mr. KING. Mr. President, the Senator from Oregon [Mr. McNARY], the leader on the other side of the Chamber, desired to call a quorum a little while ago and I asked him to delay to enable me to submit a few observations. In view of that fact I think there should be a quorum call.

Mr. CONNALLY. Very well. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Reed
Ashurst	Cutting	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Robinson, Ind.
Bailey	Dieterich	La Follette	Russell
Bankhead	Dill	Lewis	Schall
Barbour	Duffy	Logan	Sheppard
Barkley	Erickson	Loneragan	Shipstead
Black	Fess	Long	Steiwer
Borah	Fletcher	McAdoo	Stephens
Brown	Frazier	McCarran	Thomas, Okla.
Bulkeley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Glass	Metcalf	Townsend
Byrnes	Goldsborough	Murphy	Trammell
Capper	Gore	Neely	Tydings
Caraway	Hale	Norris	Vandenberg
Carey	Harrison	Nye	Van Nuys
Clark	Hastings	O'Mahoney	Wagner
Connally	Hatch	Overton	Walcott
Coolidge	Hatfield	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Costigan	Hebert	Pope	White

Mr. LEWIS. I desire to announce that the Senator from South Carolina [Mr. SMITH] is necessarily detained from the Senate, and that the Senator from Washington [Mr. BONE] and the Senator from Kansas [Mr. MCGILL] are detained by severe colds.

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Virginia [Mr. BYRD].

Mr. CONNALLY. Mr. President, I desire to propose a unanimous-consent agreement.

I request that at the conclusion of the address to be delivered by the Senator from Wyoming [Mr. CAREY] no Senator shall speak more than once or longer than 10 minutes on the bill or any amendment thereto, and that the Senate shall vote on the bill not later than 2 o'clock tomorrow.

Mr. LONG. Mr. President, if there is no objection, why not vote now?

Mr. CONNALLY. There are objections, as I understand.

The PRESIDING OFFICER. The proposed agreement provides for a vote on tomorrow; and in that situation, under the rules as the Chair understands them, there will have to be a quorum call.

Mr. CONNALLY. We have just had a roll call. I thought that was sufficient.

The PRESIDING OFFICER. The necessity of another roll call may be waived by unanimous consent.

Mr. McNARY. Then, Mr. President, I ask unanimous consent that a second calling of the roll be waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. McNARY. I did not understand the exact nature of the proposal made by the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas will please restate his unanimous-consent proposal.

Mr. CONNALLY. I asked unanimous consent that at the conclusion of the address of the Senator from Wyoming [Mr. CAREY] debate shall be limited to 10 minutes on the bill and 10 minutes on any amendment, and that no Senator shall speak more than once, and that not later than 2 o'clock tomorrow a vote shall be had on the bill and all pending amendments thereto.

The PRESIDING OFFICER. Is there objection?

Mr. LA FOLLETTE. Mr. President, I do not feel that I can discuss in 10 minutes the amendment which I intend to offer. I shall feel constrained, therefore, to object.

Mr. CONNALLY. Then I modify the proposal to 15 minutes on the bill and 15 minutes on any amendment.

Mr. LA FOLLETTE. Mr. President, my understanding is that the Senator from Nevada [Mr. PITTMAN] has given notice that he expects to speak tomorrow, and I feel that I could not agree to the suggestion of the Senator from Texas at this time. I think we should go along this afternoon until a reasonable hour, and then have some debate on the bill tomorrow. So far as I am concerned I have no disposition to delay the measure; but, as the Senator from Texas knows, there has been debate on other subjects this afternoon.

Mr. CONNALLY. That is why the Senator from Texas is making the request. There will be debate on other subjects tomorrow, and there will be debate on other subjects the next day, and the next day. The Senator from Texas hoped we could have a recess over the week-end; but it is his purpose to keep the Senate in session until a vote may be obtained on this bill whether we have any recess over the week-end or not.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas, as modified?

Mr. KING. I think objection was made.

Mr. McNARY. Mr. President, all possibility of a hoped-for adjournment over the week-end is at an end, in view of the statement made by the Chairman of the Foreign Relations Committee, the Senator from Nevada [Mr. PITTMAN], that he desires to speak on the treaty tomorrow. I was advised a few moments ago that the able Senator from Nebraska [Mr. NORRIS] may also desire to speak. In view of these contemplated speeches, I think it would come within the rules of propriety if the Senator should wait until tomorrow and ascertain how long a time the speeches will occupy, the nature of the debate, and what may occur, and then propose his unanimous-consent agreement.

Mr. CONNALLY. The Senator from Texas has anticipated the Senator from Oregon, and has done that today. He has observed the debate today. He knows just exactly what is going to occur. If Senators do not want a recess over the week-end, if they desire to devote all the time to talking about something other than the pending bill, the Senator from Texas is perfectly willing to stay here and try to conduct the bill through the Senate; but the Senator from Oregon knows, as other Senators do, that those who desire to speak on the bill have had opportunities to do so today, and they have not improved them.

Mr. McNARY. The situation in that respect does not differ from others. The Senator must be patient when he has a bill in charge.

Mr. CONNALLY. The Senator from Texas is trying to be patient.

Mr. McNARY. I have had similar experiences during the course of a great many years. I recall at one time having a farm bill up here, the debate on which extended into the fourth month. I did not ask for a unanimous-consent agreement with regard to it after 2 days of speech making.

Let me suggest to the Senator that the quickest way to pass this bill is to proceed in the usual way. In view of the fact that we are going to meet tomorrow, and speeches will be made on the treaty, I appeal to the Senator again to be a little patient, and tomorrow the situation may develop itself in such a fashion that he may get an agreement or a vote during the afternoon.

Mr. CONNALLY. Was there objection to my proposal, Mr. President?

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas as modified?

Mr. FRAZIER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. Mr. President, I desire to propose another unanimous-consent agreement. I ask unanimous consent that when the Senate concludes its session this afternoon, it take a recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I object to that.

The PRESIDING OFFICER. Objection is heard.

Mr. KING. The Finance Committee and several other committees will meet tomorrow, and Senators must be in attendance upon those meetings.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

Mr. CAREY obtained the floor.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. CAREY. I yield.

Mr. LONG. The bill is not to be voted on tomorrow under the unanimous-consent agreement, is it?

The PRESIDING OFFICER. There is no agreement about when the bill is to be voted on.

Mr. LONG. I want to give notice that, while I shall not be here tomorrow, on Monday I shall move to write into the bill as basic commodities cucumbers, sassafras, and several other allied products. [Laughter.]

Mr. CAREY. Mr. President, I realize that the hour is late, and I will try to be as brief as possible in my remarks.

Senators will recall that the Agricultural Adjustment Act as originally written included cattle as a basic commodity. They will also recall that, largely through the efforts of my late colleague, Senator Kendrick, cattle were taken from the act. I do not know what his position would be if he were here today, but I believe that he would be with me in opposing the pending measure. No man has served in the Senate who had as long and as varied an experience in the cattle business as had Senator Kendrick. He came to my State following a trail herd from Texas. He continued in the cattle business until he became one of the largest owners of cattle in Wyoming. I feel that he knew the business and knew what was good for those who are engaged in it.

I have had some experience in the cattle business. My father was one of the pioneer cattlemen of Wyoming. He went there in the very early days and engaged in the livestock business. He founded a business which is still in operation. This business is probably the oldest cattle company in Wyoming, and our cattle bear the oldest registered brand in the State. I have grown up in the business. I have devoted my life to it, and I do not believe there is a man on this floor more interested in the cattleman and the cattle business than I am. They are my friends, and we speak the same language. Anything that would help them would help me, and I am for anything that would help them.

We hear much about cycles in the cattle business, how the price of cattle goes up at one period, and at the end of that

period goes down. That has always happened; it happens in any industry, that when the product of the industry is bringing a good price, people engage in that business, and continues until there is an overproduction. Officials of the Department of Agriculture speak of cycles in the cattle industry. I have been through cycles that they know nothing about. I have fought blizzards and have seen thousands of cattle perish. I can remember one winter when half the cattle in my State died. I can also recall the winter of 1919 and 1920, when the greater part of the livestock was shipped out of Wyoming in order to obtain feed for the winter. They went to Texas, to New Mexico, to Nebraska; some of them went to Old Mexico. The cattlemen then fought their own battles; and they did not call to Washington for help. It was their fight, and a hard one. Some of the best men in my State never recovered from that winter.

I realize the condition of the business. There has never been a time since the nineties when cattle were bringing a lower price, and I would support any program which I thought would help the cattle industry. But I do not believe that an appropriation of \$200,000,000 will make up for the damage that would be done to the cattlemen by placing a processing tax on cattle.

Mr. President, both during the summer and since my return to Washington I have conferred with the Secretary of Agriculture regarding some plan to help the cattle business. I must admit that neither he nor I had any plan which we could call a cure-all for the ills of that industry. Frankly, I do not think that by legislation we can furnish the relief which we should like to give to it.

I asked the Secretary of Agriculture on numerous occasions to call together a group of livestock men to discuss this problem, and try to work out something that would be satisfactory to them. After several conferences with the Secretary wires were sent inviting representatives of various livestock and dairy associations to come to Washington. There was a very representative meeting, and some 53 organizations of beef raisers and dairymen were represented.

A committee was appointed to work out a plan and submit it to the Secretary of Agriculture. That plan contained numerous suggestions. The cattlemen who were here, who I feel were representative, were willing that cattle should be made a basic commodity under the conditions set forth in this plan. They recommended that as soon as the bill shall be passed and become a law, the producers of dairy and beef cattle, or their representatives, again come together to prepare detailed plans covering the suggestions embodied in these recommendations.

They recommended the elimination of diseased dairy and beef cattle, believing that such elimination would be desirable in the interest of public health and in the interest of the welfare of the entire dairy and cattle industry. It is estimated that today there are 600,000 tubercular cattle being used in the dairy industry. They felt that to kill off these cattle would mean not only that there would be less cows to breed in this country but also that it would be beneficial in protecting the health of the people who are drinking milk produced by these cows.

Further than that, the offspring of old dairy cows which are shipped on the market are having a very depressing effect upon the beef-cattle industry, and the killing of 600,000 cows would relieve that situation materially.

They further insisted that the indemnity payments, while they should be paid out of the \$200,000,000 appropriation provided in this bill, should not be charged against the cattle industry through processing taxes. They made this recommendation for the reason that in previous campaigns for the eradication of disease in livestock the expense has been borne by the Federal Government and the States, and not by the cattle producers.

They also recommended the elimination, by purchase, of other dairy and beef cows, and that the cattle so purchased should be distributed and used for relief purposes. I might say that the emergency relief administration has been purchasing large quantities of food products, but have purchased very few cattle.

They asked for a packers' code. I might say, in connection with such a code, that last August there was a meeting here of cattlemen and representatives of the packers. Following that gathering a meeting was held in Chicago. Nothing more was done about it, I think largely on account of the indifference of the Department of Agriculture.

More recently another meeting has been held with the packers. Under the proposed plan there would be set up a board to manage the code, composed of representatives of both the producers and the packers, with the Secretary of Agriculture having the right to approve any rules or regulations which might be established by the board. On this board the producer was to have equal control with the packers, with the Secretary of Agriculture having a veto power.

Much could be done through such a code on account of the packers being able to eliminate many extravagances in their business and therefore being able to pay better prices to the producers. It would do away with dumping, which is largely done today in the packing industry. One of the best things it would do would be to prevent the chain stores from buying cattle at the prices at which they have been purchasing them. There is nothing that has depressed the price of livestock so much as have the chain stores. They are large buyers. They will go to a packer and ask for prices. They will shop around. They will buy as cheaply as they can. The packers, realizing the size of their orders, will cut prices to them and then will have to go on the market and buy the cattle at lower prices in order to meet the prices they have quoted to the chain stores.

There are numerous other problems which could be worked out through a code agreement which would guarantee better prices to the producer. There is no question that the selling end of any business must be coordinated with the purchasing end, if livestock men are to receive fair prices.

The difficulty in agreeing to such a code has been caused by the demand of the Department that the Department have free access to the books of the packers. My understanding is that the packers do not object to the inspection of their books from the time the code agreement is entered into, but they do object to the Department's going in and digging back into their books from the year 1 to date.

This committee asked for an excise tax on certain vegetable oils. There has been a constant increase in the imports of vegetable oils. In 9 months of 1932 the imports amounted to 453,688,061 tons. In 1933 the quantity imported was 589,572,659 tons. There was an increase of 25 percent in importations.

Mr. VANDENBERG. Mr. President, would the Senator tell me to what extent that imported oil comes from the Philippine Islands?

Mr. CAREY. A great part of it is coconut oil. I have not the exact figures. There has also been a great increase in stocks of foreign fats and oils on hand in this country; and, furthermore, the increase of domestic fats and oils has been constantly becoming larger, which demonstrates that there is not a market for domestic fats and oils.

In September 1932, of domestic fats and oils there were on hand 766,654,476 tons. In September of this year that amount had increased to 1,151,213,562 tons. I could give the Senate other figures, but I am not going to take the time. The stock of creamery butter in this country has increased. The amount of lard on hand in this country is almost three times what it was a year ago.

It was for these reasons that the representatives of the cattle and dairy interests recommended that an excise tax be placed upon foreign oils. They also recommended that the tax on canned meats be increased. The present tax is 6 cents a pound; and if Senators should try to buy canned meat, they would find at nearly every store in Washington that the storekeepers would hand them imported rather than domestic meats. In fact, both the Army and the Civilian Conservation Corps have purchased foreign canned meats during the present year.

The importation of canned meats has increased from 18,118,531 pounds in 1931, which is equivalent to 73,304 head of cattle, to 39,177,193 pounds, in 11 months last year,

which is the equivalent of 157,010 head of cattle. As a matter of fact, most of the American packers were producing canned meat in South America and shipping it into the United States. There have recently been started plants in this country to process meat on account of the fact that the Army and the other agencies have refused to make further purchases of imported meats.

By keeping out the foreign meats it would mean that at least 157,000 head more cattle would be used in this country for canned meat, and the killing-off of tubercular cattle would mean a further reduction of 600,000 cattle. If these two things were done, it would reduce the cattle supply by three quarters of a million.

That, briefly, was the plan suggested by these stockmen. There has been no intimation by the Department of Agriculture as to whether or not this plan met with its approval. I do not believe that the Department approves, as there has been read on two occasions during this debate a statement made by the Secretary of Agriculture that he thought it might be well to make cattle a basic commodity and then let the cattlemen stew until such time as they would accept a processing tax. Also, attention has been called to the statement made at the Senate hearing by Mr. Chester Davis, head of the A.A.A., that it would be necessary to levy a processing tax if cattle were included as a basic commodity.

I am fearful of a processing tax, and my reason for feeling as I do is because of what has happened in the case of hogs. That question has been pretty thoroughly discussed here, so I will not discuss it in any detail, except to say that, in spite of all the money that has been expended, in spite of all the effort that has been made, the price of hogs has been raised but 12 cents per 100 pounds since the 1st of July. The Department of Agriculture expended originally some \$30,000,000 for the purchase of hogs, and, since that time, there have been additional expenditures of, I believe, some \$5,000,000.

The Emergency Relief Administration also has purchased \$12,000,000 worth of hogs up to some time last month. That means approximately \$45,000,000 has been expended by the Government to boost the hog market. The total amount the Government has raised the price since July is but 12 cents a hundred, and the people of this country today are paying a processing tax on those hogs of about \$2.25 a hundred. I feel that if that processing tax had not been imposed, most of that \$2.50 per hundred would be going to the man who is now shipping the hogs to market.

The corn program of the Department of Agriculture has had a most depressing effect upon the cattle market. Under that plan the Secretary of Agriculture has advanced the farmers 45 cents a bushel on their corn. This has absolutely destroyed the feeder market for livestock. It has forced cattle which were placed on feed back on the market, as it has also forced the hog grower to ship his hogs onto the market. No man can feed either cattle or hogs with 45-cent corn when the livestock are bringing the low prices they are bringing today. This destruction of the feeder market has been most harmful, particularly to cattlemen in the Western States, who depend upon the feeders to purchase a large part of their livestock. It has also hurt the man in the Corn Belt who has had cattle on feed. He could not afford to keep them with this high-priced corn, and he, too, has been obliged to put them on the market or, if he kept them, to sustain a loss.

It is interesting to note that one kind of livestock, with no processing tax, has been constantly increasing in value, and that is sheep. The price of fat lambs increased from \$6.98 a hundred on October 14 of last year to \$9.36 on February 24 on the Chicago market.

Hogs have decreased from \$4.75 on October 14 to \$4.44 on February 24. They have actually decreased in price despite the processing taxes and Government purchases.

There has been no processing tax on cattle. The total decrease in cattle prices for top cattle on the Chicago market since October 14 is from \$7.35 a hundred to \$6.75. There is no processing tax on cattle.

I do not think that the program carried out in the case of hogs makes a very good showing. The price of hogs would be lower today than it has been for years if the Government was not in the market buying and constantly trying to peg the market.

In the month of January, 8 percent of all the Federal-inspected hogs were purchased by the United States Government and for the Government. They are pegging the market to put over their program and make it appear that the program is working.

There seems to be some dispute as to the attitude of the cattlemen regarding this bill. The cattlemen are in a desperate situation. They, naturally, want help, and, naturally, they will turn to anything they think will help them; but I think I can truthfully say that a majority of cattlemen are against a processing tax. Naturally, they would like to have an appropriation for their benefit, but I feel certain that they would rather not have this appropriation than to pay a processing tax. Many cattlemen fail to realize that any benefits they may receive by this act must be paid back by them to the Federal Treasury through processing taxes.

I have here a telegram from the secretary of the Colorado Stock Growers and Feeders' Association, Dr. B. S. Davis, which reads:

We have this day wired our Senators, ADAMS and COSTIGAN, requesting they oppose bill that would make cattle a basic commodity.

I have a telegram from the president of the Wyoming Stock Growers' Association, reading as follows:

Wyoming Stock Growers' Association oppose inclusion of cattle as basic commodity under Agricultural Adjustment Act.
D. R. WHITAKER, President.

I have a letter from the secretary of the Western South Dakota Stock Growers' Association, written to Mr. Russell Thorp, secretary of the Wyoming association. I will read a part of this letter:

We wired our Representatives in Washington, also the committee chairmen, our strong protests against making cattle basic commodity, and Mr. Abbott, one of the committee of five, told me last evening in Denver that he had had a message from Secretary Wallace saying that everything will be done for the cattlemen's interest as soon as the cattlemen let them know their wishes. Mr. Abbott said that the message was most encouraging.

Since that letter was written, the cattlemen have made known their wishes, but they have never had an answer from the Department as to whether those wishes would be carried out.

I have a telegram from the Governor of Wyoming, who, by the way, is a good Democrat. This telegram is addressed to Secretary Wallace under date of December 22. He says as follows:

The sentiment of stockmen in Wyoming is absolutely against processing or compensatory or any other kind of tax on cattle. This is the belief that in any case the producer will have to bear the tax. The price of choice prime beef and good steer beef at the present market is cheaper than the bids to Government for canned cow meat. Would suggest that relief committees buy dressed meats through local markets.

I have a letter from the State of Montana, from the State veterinary surgeon, who also is secretary of the Livestock Sanitary Board, in which he says:

STATE OF MONTANA LIVESTOCK SANITARY BOARD,
Helena, January 17, 1934.

HON. ROBERT D. CAREY,
United States Senate, Washington, D.C.

DEAR SENATOR CAREY: You probably will be surprised to hear from me, but I am interested in the cattle industry and so are you. I trust you also realize we in Montana look upon the Senators from Wyoming as also representing Montana interests, and especially the beef industry interest.

I enclose you a short brief that we have drawn up protesting a processing tax on cattle and also wool. We realize that this is only one argument, but it is an argument that, so far as we know, has not at this time been presented.

We trust that reading this short brief will be of interest to you and that the argument presented meets with your favor.

With kindest regards, I am, yours very truly,

W. J. BUTLER,
State Veterinary Surgeon.

I have a letter from Mr. C. B. Abbott, of Hyannis, Nebr., a man who owns some 17,000 cattle, and I think is feeding 2,000 or 3,000 this winter. A part of his letter is as follows:

For one I should like to remain outside the bill as far as being named a basic commodity is concerned. If we could be assured of the marketing agreement, I would be willing to let them go on a reduction program if it was fair. But if they intend to levy a processing tax first thing and then try to pay us back in benefits, I am afraid that whole new deal will be forgotten before we are ever paid.

The Nebraska Stock Growers' Association had meetings in several sections of the State. At a number of those meetings resolutions were adopted. I will read the resolution adopted at the meeting at Valentine:

If a processing tax comes within and under the provisions of the Jones bill, known as House Roll 6133, we deplore it for the reason that we feel and believe that the cattle industry at this time is unable to absorb any processing tax but do not object to making cattle a basic commodity.

At another meeting held at North Platte, Nebr., the Nebraska Cattle Growers' Association adopted these resolutions:

Whereas reports from Washington indicate that the beef industry will be classed as a basic commodity by the administration and supporters in Congress;

Whereas it is suggested by the administration and the Secretary of Agriculture that a processing tax be imposed on the beef industry to repay the appropriation and the machinery set up;

Whereas, if adopted, the administration proposes to appropriate \$200,000,000 to purchase breeding cows for slaughter to lower production; Therefore be it

Resolved, That the stock growers of Lincoln County and vicinity in Nebraska earnestly protest against putting this wholly unnecessary and unjustifiable handicap of processing tax on the producers of an essential food; and be it further

Resolved, That we appeal to friends of agriculture in Congress to defeat any attempt at imposing the processing tax on the beef industry, which tax has proved a failure to the pork producers.

Mr. THOMPSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Nebraska?

Mr. CAREY. I yield.

Mr. THOMPSON. I have the resolutions which were adopted at the North Platte meeting. The Senator from Wyoming read only section 3. If he will permit me I should like to read section 4 as follows:

We approve that part of the Jones bill known as "H.R. 6133", wherein from the Treasury of the United States is appropriated the sum of \$200,000,000 for the immediate relief of the cattle industry, to be divided equally between dairy and beef cattle. We suggest and recommend to those charged with the enforcement of said act, if enacted into law, that not less than 5,000,000 breeding and producing beef and milch cows be bought immediately; that these cows be purchased on the open markets by the Government in competition with the packers and all other buyers; that the meat processed from these cows be by the Government sold either as fresh, canned, or corned beef abroad to those countries needing meat products, but unable to pay cash therefor, on long-term credits if necessary, to be first assumed by governmental agencies, and when paid to be credited upon the cost of purchase and processing before any consideration be given to levying a process tax therefor.

Does the pending bill cover that section of the resolutions, in the opinion of the Senator from Wyoming?

Mr. CAREY. Frankly, I do not believe the pending bill covers anything except that cattle shall be made a basic commodity, that a processing tax may be levied, and that we are to appropriate \$200,000,000 to start something. I think this resolution could be carried out if the Secretary would agree to it.

Mr. THOMPSON. I notice that thus far in the discussion the Senator is, in a way, criticizing the bill. Has he a substitute measure to offer in its stead?

Mr. CAREY. I have no plan which is a cure-all. I have not introduced a bill, but I think there are certain things that might be done to help the livestock industry.

Mr. THOMPSON. But the Senator is not offering any amendment?

Mr. CAREY. No; this bill could not be amended satisfactorily. I should prefer to send the pending measure back to the committee and have the entire bill rewritten. I may offer certain amendments to the pending measure.

Mr. THOMPSON. I also have a telegram from Alliance, Nebr., which I should like to read, as follows:

Cattlemen in all western Nebraska believe that the cattle industry at this time is unable to absorb any processing tax, but do not object to making cattle a basic commodity. Please see that the bill pending makes no provision for a processing tax.

NEBRASKA STOCKGROWERS' ASSOCIATION.

ROBERT GRAHAM, President.

F. M. BROOME, Secretary.

Mr. CAREY. I think the Senator is aware that the Agricultural Adjustment Act makes it mandatory that a processing tax be imposed if cattlemen are to have any benefits.

Mr. THOMPSON. I do not think there is any doubt about it.

Mr. CAREY. I think the average cattlemen, or most of the cattlemen, in adopting these resolutions were not aware of the provision of the act that a processing tax is mandatory if they are to receive benefits.

I want to read a letter from a packer which I received with reference to the processing tax. This was written by Mr. A. C. Young, president of E. M. Todd Co., who are packers at Richmond, Va. The letter reads as follows:

RICHMOND, VA., January 25, 1934.

Senator ROBERT D. CAREY,
Washington, D.C.

MY DEAR SENATOR: I noticed in the papers, a few days ago, that the Senate adopted a resolution offered by you requesting the Secretary of Agriculture to report on the money spent in the corn-and-hog program, seeking to know the amount of the processing taxes collected, and the cost of administration.

I have been in the packing-house business for over 40 years, and I think the processing taxes are doing more harm to the farmer than good, and that the prices on hogs would be higher if the processing tax was not required.

It is natural that Secretary Wallace opposes any attempt to do away with the processing taxes, because the expense of carrying out his plan has to be paid out of these taxes, but who knows how much the farmer will get of the amount of processing taxes collected.

I saw a statement the other day that Secretary Wallace reported at the end of November that the administration had paid out \$44,701,650 more in benefits to farmers than it had collected taxes, but had expended \$135,000,000 to persuade farmers to reduce cotton, wheat, corn, and tobacco production, and you realize there is no way to tell how much good this expenditure amounted to.

I can but feel that the return in dollars and cents, to the farmers, will be a very small proportion of the amount of processing taxes collected by the Government, and therefore the project is costing the people of the United States an enormous amount of money, by the Government taking such a large proportion of these processing taxes to pay the cost of the experiment.

As you know, the price of hogs has been declining all the winter on account of these processing taxes, as there is no way for packers to assume that loss.

If these processing taxes were abandoned, I am satisfied the farmer will be getting as much or more in the price of the hogs as he sells them, instead of having to wait possibly for a long time to get back a portion of the amount collected in the way of a return for the farmer.

The plan certainly has not been a success so far and is going to cost the Government (and taxpayers) a whole lot more before they get through with this experiment.

Yours very truly,

E. M. TODD CO., INC.,
A. C. YOUNG, President.

I am not going to detain the Senate much longer; but the Senator from Nebraska [Mr. THOMPSON] asked me what I would do if I were introducing a bill for the benefit of the cattle industry.

Previously I stated that I had no cure-all for the ills of the industry, that I wished I had, or I wished someone else had been able to find a way to solve their problems. I think, however, there are some things that could be done which would materially help the cattlemen and would not necessitate the imposition of a processing tax.

First, I think that governmental agencies in purchasing supplies for relief could give the cattlemen the same consideration they have given hog producers in making hog purchases. A short time ago I learned that the Emergency Relief Administration had expended some \$12,000,000 for the purchase of hogs in addition to the purchase of \$35,000,000 by the Department of Agriculture. The purchases of beef amounted to about \$250,000, nearly all of which has been canned beef costing 16 cents a pound, so that only a very

small part of what they paid went to the producer. When the Government paid the packer 16 cents a pound for canned meat it paid more for the can than for the meat.

Second. If excise taxes were placed on the importation of canned meats it would keep from the American market an amount of meat equal to 157,000 cattle produced in foreign countries.

Third. The destruction of tubercular cattle would eliminate some 600,000, mostly cows, and would reduce the surplus to that extent.

Fourth. Excise taxes on vegetable oils and fats which would reduce importations would materially help both the producer of beef cattle and the dairyman.

Fifth. Of the various things that have been suggested I think the most important is a packers' agreement or code. More can be accomplished through this than by any one thing, as much of the waste and extra cost in the packing industry could be reduced, which would make it possible for the packers to pay better prices for livestock. With a code prices could be fixed, thereby assuring the livestock producers of a fair price for their products.

None of these would require the levying of a processing tax which must be paid by the producer.

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. CAREY. Certainly.

Mr. KING. The Senator may have answered the question I am about to propound. He has just stated that there were 600,000 head of cattle, as I understand, that were alleged to be tubercular.

Mr. CAREY. Yes, sir.

Mr. KING. Who is to pay for those cattle if they come in under this basic agricultural-commodity theory?

Mr. CAREY. I think the usual custom has been for the States and the Federal Government to cooperate in paying for such cattle; but with the present low price of cattle I think these cattle could be eliminated from the market now for a great deal less money than at any other time. The way cattle are selling, it will not take a great deal of money—certainly not \$200,000,000—to get these cattle out of the way. At \$20 apiece, the expenditure will amount to about \$12,000,000.

Mr. KING. I assume from what the Senator has just stated, then, that the owners of the cattle are to sustain no part of the loss, but that the Government, out of his \$200,000,000 is to pay for the entire value of the cattle, whatever value is attributed to them. Is that true?

Mr. CAREY. Either the Government or the Government and the States cooperating. I think the practice has been for most of the States to cooperate.

Mr. KING. Does not this bill contemplate the abrogation of that plan and place upon the Government the entire burden of paying for the cattle out of this \$200,000,000?

Mr. CAREY. I do not know of any plan in the bill, as I have previously said. It simply makes cattle a basic commodity and appropriates \$200,000,000. What the Department officials are going to do if the bill passes, I do not know. I know what might be done, but I do not know what the Department is going to do. I never have been able to find out.

Mr. KING. Are we to pass the bill without knowing what disposition is to be made of the \$200,000,000, what it is for, whether it is to buy tubercular cattle or whether it is to enable the Department to go into the cattle business, or what? What is the plan?

Mr. CAREY. I have always been advised that the Department could not work out a plan until cattle were made a basic commodity. I do not know why their heads cannot work before cattle are made a basic commodity, but the fact remains that they cannot.

Mr. KING. If we are going to authorize the expenditure of \$200,000,000, or, indeed, appropriate that amount, to be turned over to the Department of Agriculture, we ought to know what is going to be done with it.

Mr. CAREY. Possibly it will be used for the payment of benefits, as in the case of hogs. They might advance money

to cattlemen to induce them to reduce the number of their cattle. The Department officials might also go into the market and buy a lot of cattle and destroy them and throw them away, as they did with hogs. I do not know, and I do not think they know what they are going to do.

Mr. VANDENBERG. This is part of the lottery.

Mr. CAREY. One man's guess is as good as another's. I do not know.

Mr. ADAMS. Mr. President, may I suggest that on yesterday an amendment was adopted, as I understand, providing that this money could be used to balance the markets, whatever that may mean.

Mr. CAREY. That is what they have been doing with hogs. They have been pegging the market every day to keep up the price. How long they can do that I do not know. They can do it for a long while if they do not run out of money.

The last thing, and I think perhaps the most important thing, is the packers' agreement which I have previously mentioned. If those things which I have suggested were done, I think they would materially help the livestock business; but I cannot say that they would place the cattleman on "easy street."

Mr. President, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks a letter written by a committee representing the American National Livestock Association, addressed to the Secretary of Agriculture, and urging upon him the necessity of the adoption of the packers' code or agreement.

Mr. KING. Mr. President, may I ask the Senator whether the organization to which he has just referred endorses the pending bill, which would put cattle in the category of basic agricultural commodities?

Mr. CAREY. At the meeting in Albuquerque the American National Livestock Association took no action, largely for this reason: The Texas cattle growers are a very important factor in that association, and that group were desirous of having cattle made a basic commodity, while many other cattlemen were opposed to it, and the matter was not brought before the convention for the reason that they thought they would get into a fight which might wreck their association.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming that the letter he has offered be printed in the RECORD?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO THE SECRETARY OF AGRICULTURE.

DEAR MR. SECRETARY: In accordance with the request of your Mr. Christgau, we are hereby filing this statement setting forth some of the benefits to be derived from a marketing agreement between the packers and the producers.

We are representatives of the beef-cattle industry. Our industry, combined with the dairy industry and the hog producers, converts the crop of over 70 percent of the entire acreage of the United States into pork and beef and cattle products. Our representatives, together with the representatives of the dairy industry and some of the representatives of the hog industry, held a national conference in Washington during the past week, and passed among other recommendations one in which we stated that we favored the immediate working out of a satisfactory marketing agreement with the packers.

We feel that our industry is one of the most fundamental of industries; and, while cattle are not as yet included in the Agricultural Adjustment Act as a basic commodity, however, this act does provide for marketing agreements whereby processors and producers of other than basic commodities can enter into a monopolistic marketing agreement without violating the anti-trust laws of the United States. We wish to again bring to your notice that as early as last August we of the beef-cattle industry held a meeting, elected a committee, and took part in a hearing in Washington early in September. This hearing was the forerunner of hearings a week later in Chicago. At the Chicago hearings we did develop a marketing agreement which was acceptable to all of the committees of our industry represented in every provision except the paragraph pertaining to the examination of the packers' books. We feel that this matter should be left to the Secretary, and we urge immediate action.

We have been told by you and others of your office that you have little faith in a marketing agreement and that you could not help the producers more than about 15 percent in this manner. We feel that an agreement wherein the packing industry can unify its control and remove its product from a buyer's market and place it in a seller's market will in itself react to the benefit of the industry more than 15 percent. We know that you are

aware of the demoralizing influences that rebates, advertising allowances, premiums, unduly easy credit terms and extra deliveries can bring on any merchant. At present we think that the packing industry is subject to all of these evils and to a worse evil than any of these, that of dumping. We know that you are aware that some packers who have accumulated surpluses which they could not sell in their regular consumer channels have in times past shipped huge quantities to certain large city markets and have dumped these accumulations for any price that they would bring, thereby demoralizing the market. We cannot help but feel that certain large buyers, who retail tremendous quantities of meat, are thus enabled to buy at prices which are unwarrantably low and which must be completely reflected in the producer's price.

We cannot help but remind you in this connection of the case in which one of our large chain stores set up one of their buyers as a broker. Being a broker this man was entitled to an extra rebate on meats, which rebate, he admitted in a hearing before your Department, was refunded to the great chain store that employed him and which had set up his brokerage office. Although your Department issued a cease-and-desist order, he is still able to do business by appealing the order. We feel that through a marketing agreement we could eliminate all of the industry's wasteful practices relating to merchandizing (one of which this example illustrates, and we remind you that a 15-percent rise in the cattle markets would be a much-needed beginning).

There are many more ways in which a marketing agreement can coordinate the various branches of our industry. We could obtain sufficient money to carry on a comprehensive advertising campaign. While advertising beef as a food will not of itself solve all the difficulties besetting the livestock business, yet most informed producers and processors agree that we could materially increase the per capita consumption by judicious advertising. Our industry has no machinery at the present time to handle this problem or any other problem. There is no organization which represents us as a whole or is supported by us as a whole. We cannot but feel that your Department and the processors would be incalculably benefited by having three or four dynamic committees, representing its various branches, to coordinate and establish a policy of unity and good will. This is possible for the first time since the enactment of the antitrust legislation by the passage of the Agricultural Adjustment Act. We feel that the organization of such machinery and the announcement of our cooperation would create a confidence which in itself would strengthen the price of meat products.

We are reminded that Denmark through cooperation and by being able to tell their producers through their cooperatives and cooperative packing plants the kind and quality of the product needed, has thereby been enabled to capture 60 percent of the British market. Cooperation through a marketing agreement can make this sort of planned production possible without ownership of the packing industry. It will go farther to produce orderly marketing in both the raw material and the meat product to the consumer than any other plan. It does not make any difference what kind of a plan of controlled production we may finally arrive at, it will have to have the cooperation of the processor. Unless we have this cooperation, we will not be able to determine our surplus production. When we are producing more than our domestic market will consume at fair prices, we would under this agreement be enabled to levy a subsidy on the meat products which could be sold at fair prices in order that the remainder could be disposed of.

The selling end of any business should be coordinated with the producing end and should try to sell the production. This brings us to a discussion of the two possible methods which we believe might be utilized in controlling supplies. One might be called limited production and the other limited utilization. We feel that production control, so far as the livestock industry is concerned, may be made effective either in controlling production of the animal or of the meat product. Thus production of meat products might be regulated by discarding the meat of inferior animals in sausage and canning and replacing with meat of better quality. In this manner we would have a reservoir to draw from in the event any emergency arose such as has arisen at a number of periods in our history. During the years 1917 and 1918 the Government was asking us to produce at greater and greater volume and insisting that the American public observe their program of meatless days. This reservoir which saved the Nation during the war seems to us a national necessity, yet it is the very thing which produces demoralized markets in times such as these. We feel we should be entitled to the cooperation of your Department in utilizing every available means until we reach parity price. The marketing agreement submitted to you at the Chicago conference provided this cooperation.

We are not of the opinion that our foreign markets cannot be regained. We feel that if we were permitted to cooperate under a marketing agreement we would be enabled to trade enough of our surplus which is perishable, for some commodity not produced in the United States in sufficient volume which is unperishable. We could in this way cooperate to the extent that we would not demoralize our domestic market. At least we could get greater consideration for our industry when quotas of exports and imports are being fixed by our own Government.

We must again remind you that our industry is in dire distress. Our feeders have been compelled to purchase corn at or near the Government loan value. Our range producers must sell their feeding cattle at a price which the feeder is justified in paying, giving consideration both to the present beef market and the

price of corn. The cattle marketed in Chicago each week are losing upward of a half million dollars in actual money out by the owners in spite of the fact that both the packer and retailer are handling the same product at a profit. We feel that a marketing agreement will reduce this spread between the consumer's cost and the producer's price. We feel that it will operate as a permanent plan and tend to stabilize the market. We remind you again that it creates a monopoly, with the producers having a voice through their committee, with yourself as supreme governor and in our belief will restore meat products to parity prices and that it, coupled with a production-control program, either inaugurated separately by you or by its monopolistic provisions, will effectually accomplish the provisions of the Agricultural Adjustment Act.

CHAS. COLLINS.
ELMER BROCK.
HUB. RUSSELL.
THOS. COBLE.
C. J. ABBOTT.

Mr. FRAZIER. Mr. President, I offer an amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). The clerk will read.

The LEGISLATIVE CLERK. It is proposed to insert the following new section at the end of the bill:

SEC. 4. Section 11 of the Agricultural Adjustment Act, as amended, is amended by adding after the word "wheat" a comma and the words "rye, flax, barley."

Amend the title so as to read: "An act to amend the Agricultural Adjustment Act so as to include cattle, rye, flax, and barley as basic agricultural commodities, and for other purposes."

Mr. FRAZIER obtained the floor.

Mr. CONNALLY. Mr. President, as far as I am concerned, I am willing to accept the amendment, and let it go to conference.

Mr. FRAZIER. Mr. President, I understood there were two or three Senators who desired to speak briefly on the amendment, and I think their remarks will be very important.

The PRESIDING OFFICER. The Senator does not accept the suggestion of the Senator from Texas?

Mr. FRAZIER. I am perfectly willing that the amendment should be agreed to, but I know there are two or three Senators who desire to speak on it briefly.

Mr. CONNALLY. Of course, if the Senator wants to make a speech, I withdraw the suggestion.

Mr. FRAZIER. There is no objection to it being agreed to, of course.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. KING. Mr. President, I should like to ask the Senator who has just submitted this omnium gatherum amendment, or partially such an amendment, where he expects the money to come from with which the plan is to be executed? Is it to be part of this \$200,000,000?

Mr. FRAZIER. Oh, no. The money would be raised by assessing a processing tax upon these products.

Mr. KING. My recollection is that a day or two ago the able Senator from Ohio singled out oats, which had not been wrapped in the beneficent robes of the agricultural organization here, and had not been placed in the category of favored commodities, and the Senator stated that oats were higher, relatively, than the other commodities which had been placed under the control of the Department of Agriculture. I was wondering whether the Senator was now striking at that commodity, because it would seem, if we are to judge by the effect of the work of the Department of Agriculture with respect to hogs, that he may find a very material reduction in the price of oats if he places them in the category of basic agricultural commodities. I suggest that he may be doing the producer of oats a disservice by submitting them to the tender embrace of those in the Department of Agriculture.

Mr. FRAZIER. Mr. President, I am not including oats in this amendment. It includes rye, flax, and barley.

Mr. KING. I thought the Senator included oats.

Mr. FRAZIER. No.

Mr. KING. May I ask the Senator whether flax and barley have not fared better, so far as prices are concerned,

than the two commodities which were placed in the category of favored commodities?

Mr. FRAZIER. I think the effect was about the same as the effect on the price of wheat. Of course, I know that there is a great deal of controversy and dissatisfaction over the price of hogs, but the price of wheat, I should say, is about on a parity with the prices of barley and flax and these other grains.

Mr. KING. It seems to me that, with the limited information we have with respect to a matter that is so important, we ought to have further discussion and ought to have a fuller attendance of the Senate. As I recall, the committee, after very elaborate hearings, if I recall correctly the statement made by the Senator from Nebraska [Mr. NORRIS], rejected the inclusion of any commodity except cotton and wheat, and the incorporation of hogs within this favored group was against the protest of a number of the members of the committee.

Mr. FRAZIER. Mr. President, the objection that was raised by the Department at that time was that they wanted to try the plan out on two or three products as a sort of experiment, to see how it worked. They say now that they are satisfied that the experiment is going to work, that it is going to be of benefit to the farmers, and, therefore, a number of us think that, if we are to continue the processing tax on wheat and hogs, we should also have a processing tax on beef cattle, on rye, barley, and flax.

Mr. ADAMS. Mr. President, may I inquire whether or not flax is a surplus commodity?

Mr. FRAZIER. No; it is not; nor is rye.

Mr. ADAMS. None of the three commodities included in the Senator's amendment is a surplus commodity?

Mr. FRAZIER. No; I do not think any of the three would be called a surplus commodity.

Mr. ADAMS. I am curious, then, as to how the Senator expects to benefit the flax producers by having flax made a basic commodity.

Mr. FRAZIER. If these articles are made basic commodities, and a processing tax is placed upon them, any imports of the products, when they are processed, would pay the processing tax. Therefore, it would have the effect of putting a higher tariff on these products.

Mr. KING. Are there any imports?

Mr. FRAZIER. Oh, yes. Over 8,000,000 bushels of rye have come into the United States during the last 6 months. There is a tariff of 15 cents.

Mr. KING. How many bushels have we exported?

Mr. FRAZIER. I think practically none of rye during that period.

Mr. VANDENBERG. Mr. President, if the Senator can protect flax, I advise him to do so, because that is one of the two commodities for which the Secretary of Agriculture has signed a prospective death warrant. The two, he has announced, are inefficient, and ought to disappear from our American agriculture.

Mr. FRAZIER. Is the Senator from Michigan sure of that? There was a statement in the press, which someone sent to me, to the effect that some \$12,000,000 was to be used by the Department of Agriculture to stimulate the production of flax where it had not previously been grown. I called the Department, and they stated they knew nothing about it, and did not know the source of the statement.

I cannot see why flax should be one of the products to be excluded from production in the United States, inasmuch as we do not raise anywhere near enough to supply the domestic needs, and there is no question that we could raise enough flax in the United States to supply our full domestic demand if there were a sufficient price to give the farmers cost of production for that product.

Mr. VANDENBERG. Mr. President, I read from the booklet entitled "America Must Choose", by the Secretary of Agriculture. In his discussion of what he calls "approach to a world neighborhood", he suggests that this requires a radical reduction of tariffs which might seriously hurt certain industries, "and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also

cause pain for a while to woolgrowers and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically, there may have to be some definite plan whereby certain industries or businesses will have to be retired."

The only examples the Secretary gives in that aspect are sugar beets, flax, edible oils, and wool. Can the Senator contemplate a successful agriculture in his area with those products eliminated?

Mr. FRAZIER. Mr. President, I must say that I cannot agree with the Secretary of Agriculture as to eliminating either flax or sugar beets. They are both important products in my section of the country.

Mr. VANDENBERG. How about wool?

Mr. FRAZIER. I cannot agree as to eliminating wool, either.

Mr. FESS. Mr. President, that is in line with the philosophy of doing away with any article of which we do not produce any large amount in proportion to our need, or saying that if we are not producing sugar beets to anywhere near our demand we would better discontinue producing them.

That runs all through the argument. So that, notwithstanding the fact that the Dakotas are very much concerned in the production of flax, the quantity produced in proportion to the demands of the whole Nation is regarded as rather inconsequential. I think there is no doubt that flax is one of the articles which must go when we enter upon the tariff bargaining plan, because we cannot possibly get an advantage coming without losing some advantage going. The question is, What are we going to sacrifice of our own production in order to get the advantage in the matter of imports?

Mr. FRAZIER. Mr. President, if we take flax and sugar beets and perhaps some other farm products out of the picture, what are the farmers going to do with the land that has been used in the production of those commodities in the past?

Mr. FESS. Let others answer the question. I cannot imagine what they are going to do.

Mr. VANDENBERG. The farms will be made subsistence farms, with furniture factories in the middle of them, and then the Government will work the furniture factories.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

THE CALENDAR

The PRESIDING OFFICER. Are there any reports of committees? There being none, the calendar is in order.

Mr. ROBINSON of Arkansas. Mr. President, the first nomination on the calendar goes over under a unanimous-consent agreement that was made today and entered of record.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Frank P. Corigan, of Ohio, to be Envoy Extraordinary and Minister Plenipotentiary to El Salvador.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Carl deG. MacVitty, of Illinois, to be secretary in the Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of H. Earle Russell, of Michigan, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Bernice Pyke to be collector of customs, collection district no. 41, Cleveland, Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

That completes the calendar.

INCLUSION OF CATTLE AS A BASIC COMMODITY

The Senate resumed the consideration of the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate now take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 33 minutes p.m.) the Senate took a recess until tomorrow, Friday, March 9, 1934, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8 (legislative day of Feb. 28), 1934

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Frank P. Corrigan to be Envoy Extraordinary and Minister Plenipotentiary to El Salvador.

SECRETARY IN THE DIPLOMATIC SERVICE

Karl deG. MacVitty to be secretary in the Diplomatic Service.

CONSUL GENERAL

H. Earle Russell to be consul general.

COLLECTOR OF CUSTOMS SERVICE

Bernice Pyke to be collector of customs for customs collection district no. 41, Cleveland, Ohio.

POSTMASTERS

ARKANSAS

Bess M. Nobles, Dierks.

NEBRASKA

Albin E. Rodine, Stromburg.

Eric Fredrickson, Wakefield.

Richard H. Schwedhelm, Westpoint.

NEW YORK

Joseph W. Cain, Adams.

Leo W. Pike, Belmont.

John A. Holland, Brushton.

Bertha Sagendorph, Claverack.

James D. George, Gardiner.

Frank L. Egger, Larchmont.

Robert E. Purcell, Philadelphia.

Elmer R. Chaffer, Point Pleasant.

Harold D. Ashline, Rouses Point.

George O. Fountain, Scarborough.

May A. Cupernall, Thousand Island Park.

Charles R. Frank, Yorkville.

SOUTH CAROLINA

Marion G. Anderson, Conway.

Hattie J. Peeples, Varnville.

SOUTH DAKOTA

John E. Dunn, Elkton.

J. Russell Anderson, Irene.

John W. Hoven, Selby.

Daisy E. Berther, Wentworth.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 8, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

All praise and glory be unto Thee, our Heavenly Father. Love and mercy never pass by the boundaries of Thy heart. As we tread the crowded pathways of life lead us, we pray Thee. May we be converted to humility, to self-sacrifice, to unflinching kindness, and to the love that casteth out fear. Earnestly persuade us that the finest type of manhood lies not in outward honor and glory but in the hidden soul. There is no work so great and so high as the creation of character; all other things are dim and stationary. Almighty God, the judge of all men, be with the whole race of humankind; cleanse its dark and forbidding passageways and stop its thundering cries. Come Thou, O come to our own country, to our President, our Speaker, and this Congress; O make them abundantly equal to every emergency. May they bind up wounds and not make them, may they quench the fires of war and not kindle them. Blessed Lord, give us all that power that lifts us above all wrath and revenge. In the name of our divine Elder Brother. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5632. An act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6604. An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. TRAMMELL, Mr. WALSH, Mr. TYDINGS, Mr. HALE, and Mr. METCALF to be the conferees on the part of the Senate.

BOARD OF VISITORS, UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication, which was read:

MARCH 1, 1934.

HON. HENRY T. RAINEY,

Speaker of the House of Representatives,

The Capitol, Washington, D.C.

MY DEAR MR. SPEAKER: Sometime ago I sent you the names of the persons appointed by me to constitute the members of the Board of Visitors to the United States Military Academy on behalf of the Committee on Military Affairs.

I am now requested by the Honorable W. FRANK JAMES to accept his resignation as a member of that committee, and do hereby substitute in place of Mr. JAMES the Honorable CHARLES A. PLUMLEY, a member of the Committee on Military Affairs, from the State of Vermont.

With great respect, I am, yours sincerely,

J. J. McSWAIN, Chairman.

NAVAL CONSTRUCTION

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the table the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22,